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THE REAL DEMOCRACY



# THE REAL DEMOCRACY

(FIRST ESSAYS OF THE ROTA CLUB)

BY

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AND

R. W. T. COX

" . . . Les lois sont toujours utiles à ceux qui possèdent, et nuisibles à ceux qui n'ont rien : d'où il suit que l'état social n'est avantageux aux hommes qu'autant qu'ils ont tous quelque chose, et qu'aucun d'eux n'a rien de trop."

ROUSSEAU.



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## P R E F A C E.

THREE members of the Rota Club, in these its first Essays, have sought to explain and defend the principle of Property. They have therefore referred that principle to the record of the past, to present fact, and to certain root principles in morals and politics.

They believe that the lesson to be learnt from such reference is this :—

The characteristic virtue of Property can be retained only in a state where property is possessed by at least so many as a determining majority of the citizens, and by each of these in severalty.]

Political power, in a nation-state like England, necessarily depends on economic resource. Therefore, although there are other kinds of property, each of them capable of fulfilling a human need, it is for Property in the Means of Production that Englishmen to-day should keep their immediate and most definite concern.

Such means are external to the producer himself, and may be said, if a wide meaning be given to

each of the two words, to consist chiefly in Land and Capital.

The required separate properties may thus take the form either of Land, or, wherever association is good, of Shares in a producing body. (The same citizen might possess property in both forms.)

There exists already a name which, though not exactly the right one, does fit the general character of such a body closely enough to justify the provisional use of it in this book. That name is 'Gild'.

The Gild should consist of associated producers : they should be at once members of it and shareholders in it. From the Gild a standard should be required by the State, which should also enforce,

necessary, those of the Gild's rules or by-laws which were involved in its approved constitution. Such Gilds should form the chief and determining type of industrial government, and the word "Associative" will be used in this book of a state whose industrial character is thus determined by the character of the Gild.

In short, the characteristic virtue of Property can be retained wherever property is kept so distributed as to remain a normal thing to the average man ; and it can be so kept among the citizens of an Associative State.

Those who believe this will find themselves opposed both to the existing state of things in



England, and also to certain current schemes of reform.

They will oppose that existing state if only because in this country to-day property in the means of production is normal only to a few.

They will oppose Collectivism, or Socialism, if only because they do not desire the chief type of industrial government to be that of the State.

They will oppose Syndicalism, because, for instance, they do desire the existence of a strong political State, distinct from the Gilds, and are willing for industrial government by such a State to form one type, though not the chief.

They will not be able to appraise out of its context any of the more particular remedies or movements, such as Co-partnership, Co-operation, Small Holdings, or Land Banks. They will approve any one of such just so far as it forms a proper part of that whole proposal whose main outlines this book will endeavour to indicate. But the faith must be kept whole, and any of these things, if it be an isolated reform or exist in an evil context, may itself prove evil.

The writers of this book do not claim that there is anything new, "up-to-date," "advanced" or startling in what they propose; they would hope rather that it may appeal to what is normal, whole, and permanent.

They do not suppose, however, that there is, as distinct from this wholeness in the creed itself, that unity in the presentation of it which would have been possible if the book were written by one. And they therefore ask that criticism may be directed at what they have said rather than at the manner in which they have on this occasion jointly said it.

Each of them would like to acknowledge his debt to the other two, and to join with them in acknowledging a common debt to their fellow-members of the Rota Club. But a greater than either of these is that of the Club itself to several living writers, and especially to that one of them from whom the Club derived its own first impulse, and also the main character of this creed that it holds.

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## CHAPTER I.

### THE PROCESS OF DISPOSSESSION.

ONCE upon a time there came down from the Thessalian Plains southward to the city of Athens a man dissatisfied.

He entered the Agora and he came upon Sokrates. "Sir," cried he, "I am a very miserable fool." "The thing is possible," said Sokrates. "For here have I," went on the discontented one, "been striving these thirty years to build in Thessaly a Parthenon. And lo, I can only manage a mud hut." "Take heart, my friend," cried Sokrates, "for you are in better case than most. For there are few enough of men who try to build a Parthenon, and, of the few, the most part build themselves a mud hut and take it for a Parthenon."

And the Thessalian went back to Thessaly and built his temple.

The dissatisfied of the twentieth century—for the concentration of wealth in the hands of a few is certainly denounced by a few and regretted by many—rest most of them content to set up more mud huts that shall rival those now about us, content to trust faintly the larger hope that these will not only oust their rival huts, but will themselves become Parthenons.

But among these dissatisfied there are already some who feel uneasily that in spite of the teeming evidences of the successful exploitation of Nature's resources by Man's invention, there must be to-day a pulling-down of mud huts and a building-up of things more beautiful. And again of these not a few have already perceived that though Collectivism is an enthusiasm for the better and on that account deserves much honour, yet the achievement of the Collectivists is and must be no Parthenon but a mud hut, that a hope so faint as theirs is nothing but pessimism cloaked. "History," someone said, "is a sound Aristocrat." Modern reformers believe that she is also a sound Capitalist. And Destiny seems to most folk the child of History, the replica of its parent.

To combat this pessimism it is necessary to call attention to the instant and vital relation of economic history to the economic status of to-day, and to italicise the even closer connexion between the political history of this country and its economic development, in order that it may be evident that the concentration of wealth and the process of dispossession was largely wilful, and not at all inevitable. For its causes are not mysterious and wonderful, but ascertainable and even a little sordid.

The story must begin with the mediaeval welter, for recent research has only confirmed the catastrophic view of the Dark Ages which succeeded the economic ruin of the Romanised peoples and the military annihilation of the Roman governmental system.

There existed during the Middle Ages, most com-



pletely and perfectly during the latter half of the thirteenth and the first half of the fourteenth centuries, a system of industrial organisation, based on moral principles, functioned by society itself—and represented by the Gilds. Confronted with a social and political fabric hostile in the last degree to economic enterprise except so far as it might be exploited in its own interests, the artisans, after the fashion of the ecclesiastical cloister and the mercantile caravan, organised themselves into societies or Gilds, every one representing a particular craft, to obtain, and thenceforth to maintain, the privilege of carrying on a trade.

Thus it was that the heart of mediaeval industry was the Gilds. They protected alike the Labourer and the Consumer, maintained a standard of craftsmanship fully worth the adulation of Mr. Penty—that standard of Salisbury and Chartres and Tattershall, and maintained a standard of life which William Morris the artist and Thorold Rogers the scientist have united to extol and to regret.

The genius of this System was the fellowship of all those engaged in the several industries; the protection of the unlucky in an industry; the restraint of the dishonest; in fine, a co-operation not in the labour itself, but in the maintenance of a milieu favourable to the discharge of the labour and of circumstances conducive to a high standard of life in general for the participants. This last point is of special importance, and will be noticed again: historically it is expressed in the fact that while the Gild was, in one aspect, a "mystery," in another it was a "fraternity". By the Council of

the Gild, elected by the members at the Gildhall at an annual conclave, a code of by-laws was formulated and enforced. The hours of labour were restricted ; friction between members checked by the penalisation of insult and of the ill-usage of apprentices by masters ; a fixed tariff of prices was promulgated ; sumptuary laws enforced, and a standard of craftsmanship maintained by periodic "views" of tools and weights and material. In cases of disability or unemployment, relief was administered from the Communal Chest. The invalid brother was visited by members of his sodality, and, if he died, his body was attended to the graveside by the mourning train of his fellow-craftsmen. But, above all, the Gilds were substantially autonomous and part and parcel of the Angevin Institutional System ; they were at once effective guarantees of discipline and morality, and, far from representing mere passive impositions for the maintenance of order and comfort, they crystallised social activities which, proceeding from civic motives, tended to the development not only of the economic potentialities or utilities of a man, but of his political possibilities as well.

Thus did mediaeval theory make provision, in Brentano's words : "To enable any one with a small capital and his labour to earn his daily bread in his trade freely and independently in opposition to the principle of the Rich, freedom of trade".

A moment's reflection will suggest the peril of uncontrolled capitalism and private monopoly when demand was so primitive and so largely local—a danger only equalled at the present time, when the perfection of quick



communication and transport has created controllable world-markets in the ordinary commodities of daily life. This peril the Middle Ages saw; this peril they endeavoured to combat, and the chosen instrument was the Gild System. If modern scholarship has attacked the piety of Mediaevalism, it is day by day re-establishing its intelligence.

Let it be noticed in the first place that if it is upon considerations of security that this system is based, it is a system impregnated with considerations of morality. It is set up primarily to protect economic activities; but, in fact, its characteristic excellence lies in its attempt to guarantee that these activities shall be healthy.

The Christian faith had established the dignity of Labour, the dignity not only of that Finance which had not, in the days of the Republic, seemed unworthy of a Crassus, but also of that Handicraft which, with the bulk of economic and productive activities, had been pronounced by the greatest exponent of Greek civic experience to be unworthy of a citizen.

The Christian Church, further, having provided those model societies after which the early fraternities were built up, even when they did not actually come into existence under her ægis, was responsible for such cardinal criteria of mediaeval economics as the Just Price Theory, and the belief that Usury was sinful. Aquinas, indeed, stands as surely for the close alliance of economics and ethics, as does Machiavelli, in the popular tradition, for the divorce of ethics and political science. That the production and distribution of wealth is to be regulated

by moral principles, and that only so can the Christian State possibly be established, is the first and not the least important consideration which a study of the mediaeval way will suggest to the dissatisfied of the twentieth century.

A standard of life and a standard of craftsmanship are not, at any rate, much less important than a maximum of productivity.

Secondly, the system described presupposes the institution of Private Property.

"If the tendency of legislation," wrote John Stuart Mill, "had been to favour the diffusion, instead of the concentration, of wealth, . . . the principle of individual property would have been found to have no necessary connexion with the physical and social evils which almost all Socialist writers assume to be inseparable from it."

Here then is a method of industrial operation which, preserving the peculiar virtue of this institution, by exercising a rigid control of its use, attempts to forestall any anti-social and anti-civic developments which might issue from its abuse. Just as it would be fallacious to suppose that pure communism or pure slavery or a wage-nexus were native to the Rural System, so it would be fallacious to suppose that the Gild System contemplates other than an owning class of craftsmen. The serf was "*glebae adscriptus*": true; but he retained personal property rights in that soil to which he was bound, rights which the force of custom long preserved to him, rights which prevented his entire exploitation at the hands of

the Lord of the Manor. So the craftsman was prevented from plying his little capital for the purpose of exploiting the labour of his less fortunate fellows, or from enjoying dangerous advantages not the outcome of his own differential merit or industry ; but such property as his own right hand could accumulate, that, so far as was consistent with the well-being of society, was his own. He was no mere employee of Gild or of municipality.

Now this consideration directs attention toward a characteristic excellence of the mediaeval system to which it is difficult to attach too great importance. Shortly, it substituted for the horizontal division between employer and employee, master and man—to be frank, proprietor and slave—a vertical division of society between craft and craft. “It is not to be expected,” wrote Mill in 1852, “that the division of the human race into two hereditary classes, employers and employed, can be permanently maintained”. It was, in truth, not to be expected ; and, by God’s Providence, it *is* not to be expected. Yet it *has* been maintained, at any rate, until this present year of grace 1912 ; and in 1912 the politicians, amazed at the stubborn logic of John Anthony Devonport, and grieved at the persistent invalidism of Annie Roberts and other starving non-combatants of Dock-land, prepare, not to efface the gulf between the Port of London Authority and its Employees, but to renovate the old system by making the paddocks on the employee-side of the gulf a little greener—and so a little more tolerable.

The evils of the Wage System, however, are detailed elsewhere in this book ; here it is necessary only to point

out that once there was a system of industrial organisation based upon the elimination of such a gulf. One consideration must be especially italicised. The combination of both economic *and* social *and* political functions within the sphere of Gild-activity—for the brotherhood which passed by-laws and attended bytt-fillings was the same as that which fought for municipal democracy as well as for trade privilege—reminds us that, suppose a gulf between employers and employees, and we tend on the one hand to divorce the economic from the social and political activities of the artisan, and on the other to widen the cleavage between owners and workers, not merely in the sphere of labour, but in other departments of life. How can men be equals on the political platform if they are master and man in the factory? How can men be citizen-artisans expressing their personalities in their everyday labour, if that labour takes place under another man's roof, under another man's direction, if that labour operates on another man's material, with another's machines, in another's way?

It is necessary, however, at this point, to confront an objection which will almost certainly have been advanced—that in practice the Gild System never worked, never at least in the ideal form which has been claimed for it in the preceding paragraphs.

Upon this point let the position be clear. This is not an archæological treatise, and, while it might be urged that the peculiar excellences of the system endured for a longer period than the more pessimistic of its historians have suggested, the purpose of this chapter is not to de-



scribe the Gilds in being or to date their decline, but primarily to indicate the principle underlying the system, and next to indicate the causes of its atrophy.

The former of these objects has to some extent been fulfilled. It is proposed to proceed to the second by affirming categorically that the mediaeval system collapsed because, first, the commercial revolution which attended the emergence of trade from the inter-municipal, the local, and the pelagic into the international, continental, and oceanic stage placed a peculiar premium upon private and capitalistic enterprise; secondly, because the Gilds did not in the face of the arrival of the "grande industrie" adapt themselves to changed circumstances, especially they did not adopt the principle of industrial co-operation as well as co-operation in control and defence; thirdly and principally, because the State, whose aid is essential to the proper working of such a system, did not, at the first, place the force of police and law at the service of the Gilds; and, when the new monarchy did at last intervene, its intervention was rather on behalf of the Capitalist than of the by-laws.

It is not immediately to the purpose to insist that conditions arose to which the Gilds failed to adapt themselves. It is true that industrial morality, the creed of Aquinas, became discredited. It is true that a large and growing number of unskilled labourers hammered vainly at the gates of Monopoly, and entered into that relation, of employees to the Gildsmen, which the system was intended to preclude. It is true that the complication and the growth of demand made capital and credit necessary for the development of large areas and the service of large

markets. Mr. Unwin has pointed out that in more than one way commercial oligarchies gained the upper hand within the Gilds, and individual capitalists became a menace without. A number of luckier Gildsmen might monopolise the trading functions within the Gild, and bring their erstwhile brethren into dependence on themselves. A minor craft or several minor allied crafts might become dependent on a richer. Adulterine mercantile bodies might absorb the crafts which depended on them for the market of their products. Or the individual capitalist, having made his pile out of inherited ground-rents or the management of royal or manorial finance, might employ the labour which during the later Middle Ages was pouring from the shires into the towns, and so escape the restrictions of the Gild regulations by which his competitors were controlled.

The important fact is, not that the Gilds died, but that *it was to the interest of the Crown that they should die*. The new phenomenon—Capital—was nourished for dynastic reasons, and the place which had earlier been filled by the Jews, the Cahorsins, and the Bardi or Fuggers was later taken by native merchant princes—Latimer, Lyons, Peche and Philpot, with others of their kind. Mr. Unwin supplies a striking illustration of the conflict between dynastic interests and the adequate control of Gild members, when he tells us that the profitable Charters of Incorporation, which emanated from the Crown in the fifteenth century, effected a twofold change in the situation by replacing the ecclesiastical sanction upon which the trade fraternities had rested by a State sanction (and so striking at the Gild as a fraternity), and

on the other hand exposing the community to the risk of civic and economic anarchy by releasing the Gilds from dependence upon municipal, that is, the sole effective control. It was with a view to enhancing their social prestige that the great Livery Companies were incorporated, and the new type of organisation was too expensive to be supported by any craft which could not produce a gang of capitalists and retain them within its ranks. Thus was the viper nourished in the very bosom of the Gilds.

And so out of the medley of circumstances which killed the Gild System emerge two in chief—their failure to adapt themselves, and the hostility of the New Monarchy which knew the Gilds for stepchildren, offspring of the Ecclesiastical Order, and which welcomed the Capitalists as friends and pillars of the dynasty.

We pass now to a new epoch: the epoch of nominal governmental control. Hitherto it has been the indifference of a Gallio which has principally distinguished the policy of the Crown. The sovereigns of the Tudor and Stuart dynasties will now be seen to exhibit sometimes the impotence of a Felix, sometimes the avarice of a Vinas. Rid by various happy circumstances of the old Hierarchy of Wykeham and Arundel, and of the old appanaged feudality of the Beauforts and the Nevilles, strengthened rather than restrained by a Representative which a Cromwell could pack and a Knollys could intimidate, and by a nation only too ready to bow down in the House of Efficiency and to salve its conscience by calling it Divine, the Tudors were able to resume the

Ricardian theories of Kingship which, whispered by Bancroft and proclaimed by Bacon, were shouted by the author of the "True Law".

The regime, accordingly, of the new Leviathan was marked by a polypragmosynous paternalism which claimed the right or admitted the responsibility to inspect, to veto, to enjoin—at every phase and in every department of the life of the private citizen. It seemed that the mantle of the dying Gild System was to be assumed to better purpose by the Throne, and that an end would speedily be put to the anarchy long prevalent in the shires.

In 1487 the Crown intervenes to prevent the excesses of the rich and powerful Gild of the Mercers. In 1503 the weak and defenceless Merchant Taylors, and in 1505 the poor Staplers of Calais are assisted in a struggle with more powerful bodies. In 1488 a celebrated measure attempts "to amortise a great part of the lands of the kingdom into the hold and occupation of the yeomanry or middle people". In 1532 it becomes unlawful for any single individual to pasture more than 2000 head of sheep. In 1536 the attempt to cope with the Enclosures has been placed by the astute Cromwell on a business basis. When land has recently been enclosed, the owner must repair or rebuild all houses formerly standing on it, and, unless and until this is done, the Crown is to have half of the land enclosed.

The Weavers' Act of 1555 prolongs the domestic system by stipulating that no capitalist clothier, dwelling in the neighbourhood of a corporate town, may keep more than one loom or profit by letting them. Country



weavers might have two ; but not more than two apprentices. Finally, in 1563, the famous Statute of Apprentices or Artificers codifies the old Gild regulations, repeals the maximum wage enactments, and subjects the rate of wages to a periodical assessment by the Justices of the Peace.

But the paternal sentiments expressed in Tudor preambles convey an entirely false idea of the effective outcome of economic regulation at this period. In 1499 and in 1505 that Henry VII, who rescues the Merchant Taylors and the Calais Staplers, himself establishes close merchant oligarchies under Crown patronage. In 1497, while enactments relating to compulsory labour remained in force, the clauses which had fixed the Wage Rate are repealed in the Employers' favour. In 1549, when the unemployed numbered, it is said, about 300,000, Vagrants might, by the Law of the Land, be branded and sold in slavery. Under the genial Northumberland the clauses of the Statute of Merton were re-enacted, and free rein given to the Enclosers. The great Statute of Artificers placed the assessment of wages in the hands of that class which above all was interested in their reduction.

It is not, however, the non-morality of Tudor Government that we would emphasise, but its inefficiency.

It can never be too often affirmed that legislation at this period was almost entirely ineffective owing to the absence of any administrative machinery. Lack of such an 'étalage' of local governmental officials was the primary cause of the failure of the first and second Stuart despotisms ; lack of it so hampered the Tudor regime that while acts of power were not infrequent, the ordinary

routine of a "thorough" administration was impossible. Courts, councils, and commissions might fine the noble brigand of the province or clip the ears of the city pamphleteer; but the shire courts of the Angevin Institutional System were gone. In spite of its then pretensions the Crown was rather a Policeman than a Patriarch. Cromwell and Walsingham with their hierarchy of spies are the typical statesmen of the age; not More and Hales with their visions of a reformed Industrial System and their Courts of Poor Men's Causes.

The result of this administrative inefficiency appeared principally in two political tragedies, both very much to our point—the failure of the Crown to stop the expropriation of the copyholders, and the inauguration of a system of delegated control through patentees.

It is not proposed in this place to detail the iniquitous and pitiful story of the first period of the Enclosures. Here it is intended rather to show that the process was no extraordinary event, not to be paralleled in the history of this country. Would it were. But it has been seen that while the rural labourer was being despoiled of his common rights in the soil, the artisan, long deprived of such an industrial milieu as would have favoured the equitable distribution of property in the means of production, was being further dispossessed by the failure of the Crown—at the best we would say 'failure'—to repress Capital, for the reason that the mercantilist supporters of the dynasty favoured large accumulations of capital as useful elements of national stability and power.

It must not be supposed that the term 'enclosure of the Commons' means, for instance, the confiscation of the right to graze a donkey or a flock of geese in a patch of bog and furze. 'Commons' meant not only the common proper or waste, but the meadow of the manor and the strips of arable soil. It has already been pointed out that the economic status of the peasant depended previously not on the possession of a distinct and cohesive patch of private property, but on rights in the 'Commons' of meadow, arable land, and waste. Now it is easier to confiscate such rights owned by custom than to confiscate private properties as they exist to-day. And such confiscation proceeded so successfully in spite of enactment after enactment, that in 1548 a "Supplication of the Commons" asserted that one plough in each of the 50,000 towns and villages of the Realm had been "decayed" owing to Enclosures, and that 300,000 persons were on this account out of work. The eloquence of Latimer was of no avail, and the Crown, unable to stop the process, attempted to compensate the labourer for the loss of his economic footing by granting him a dole. Hence the Poor Law Legislation of Elizabeth, which with the Settlement Act of Charles II reduced the English rural class to a position of practical servility. Nothing was done during the Stuart epoch to ameliorate his status. Cheap labour and high rents, we are reminded by Thorold Rogers, constitute the ideal of the latter half of the seventeenth century. By that date, however, the era of *Laissez-faire* was, as will shortly be pointed out, well established, and the tradition of the Settlement Laws is well con-

tinued in the Speenhamland Act of Parliament of 1795.

That which distinguishes the economic policy of the Stuarts, however, is not concession to the Territorial Magnates, whose support the Tudors had won by the creation of a vested interest in the Reformation, and whose support they dared not alienate by a strong policy on the enclosure question, but concession to a class whose conciliation is always to the interests and generally to the taste of all dynasties unhallowed by long tenure of the Throne—the new Commercial Adventurers.

Attention has already been called to the absence of an administrative machine for controlling industry. But it would be incorrect to suggest that the process of economic development was a matter of indifference to the Crown. A Government which is not quite a despotism is necessarily interested in every phase of national life, and every department of national activity. And at an epoch at which private and public finance have not yet been properly distinguished, Government will be especially interested in those activities which are economic. The Act of Artificers is in no way indicative of Burleigh's power to control; it is very certain evidence of his desire. Not willingly did the Crown abandon the attempt to assume the functions of the Gilds: during the early decades of the seventeenth century there are proposals for the nationalisation of the cloth industry. Such a step, however, would have required the creation of special administrative corporations, and the position of the Government did not permit of creative enterprises of that kind.



In the absence of an officialdom, however, the only method of direct control was the nationalisation of the several crafts; and indeed, in several cases, the Crown did actually assume the control of minor business enterprises.

Such a method, however, could not be carried very far, and the problem remained how industrial enterprise might be used to the advantage of a dynasty which at the same time was unable effectually to control it.

The problem was met by the delegation of industrial control. Embarrassed at first by religious and international difficulties, subsequently by the breach with the Representative, the Crown took refuge in the system of patents and monopolies. This did not mean that in every case the patentee was an individual adventurer. Often he was. Raleigh, for instance, organised the tin-mining industry into a single enterprise depending upon a wage-nexus between the entrepreneur and the employees. But in general the monopoly was granted, through the medium of an enterprising courtier, either to the whole body of master-craftsmen engaged in a particular industry, collectively, or to a select number. But the mischief of the system lay in the fact that in the first place the patent, when supposedly collective, was only nominally so, since the control of the monopoly tended to become vested in the hands of those craftsmen who had principally interested themselves in obtaining the patent; while, secondly, the smaller body of the craftsmen themselves were often the mere tools of the courtier, through whose good offices the bargain with the Crown was made, into whose pockets the profits of the patent flowed, and under whose direction the industry tended to fall.

As a financial coup on the part of the dynasty the system proved an unbounded success. Charles collected £20,000 per annum from the soap monopoly alone. At the Restoration the Postal Service was sold for £21,500 per annum. But the ill effects of the system on the economic condition of the mass of the people can scarcely be exaggerated. The development of large-scale enterprise based on a cash-nexus was directly encouraged. The old ideal of control by all workers in an industry was abandoned in theory as well as in practice. The Crown naïvely repudiated any responsibility for the proper control of accumulations of private capital, or for the prevention of the exploitation of the employees by individual entrepreneurs.

The poison of the system was allowed to work ; but not without protest. This choicest jewel in the Royal Diadem was the centre of fierce and constant recrimination from the days of the heroic Mr. Bell to the passing of the Monopoly Act of 1624. Indeed, the futile concession of the old Queen, and the prosecution of Mompeyson and Mitchell in 1621 are among the landmarks of school-book history.

The Act against Monopolies, however, was carefully robbed of its sting by a clause which exempted incorporate bodies from its purview, and during the early years of the reign of Charles the patent system was financially more profitable to the Crown than it had ever been before.

"I have 'but one more grievance to offer you," cried Colepepper in the Long Parliament, "but this one compriseth many. It is a nest of wasps or a nest of vermin

which have overspread the land. I mean the Monopolisers and Pollers of the People. These like the frogs of Egypt have got possession of our dwellings: we have scarce a room free from them; they sip in our cup; they dip in our dish; they sit by our fire. Mr. Speaker, they will not bate us a pin; we may not buy our own clothes without their brokage. . . . They have a vizard to hide the brand made by that good Law in the last Parliament of King James; they shelter themselves under the name of a Corporation. They make By-laws; these are not petty chapmen, but wholesale men."

The degree to which the financial interest was already in the seventeenth century asserting itself in the councils of the Administration, and the difficulty with which the Government of the Interregnum was confronted on this account, was piquantly exhibited by that honest if impracticable advocate of primary Democracy, John Lilburn. The Monopolists, he asserted, for the help they had given to Charles, had deserved death far more than had the Earl of Strafford. "Contrary to their deserts, however, divers of the Grandees of this very monopoly and illegal corporations are become the great Treasurers of the Kingdom's money both in the Custom House and Excise; contrary to Law, Right, Equity and Conscience: which action of the Parliament in putting them into those two grand places loseth the Parliament more in the affections of thousands of honest people, and will, if not speedily prevented, make a greater breach in the peace of this distressed kingdom than all the Estates confiscated will repay. For people do already . . . very much question the intention of Parliaments in

reference to these men ; and many begin to say that this demonstrates unto them that they shall only have a change of masters and not of this bondage, slavery, and oppression."

Would it be unjust to suggest that there are political phenomena existing in this present England not underserving the attention and the fury of a latter-day 'Freeborn' John?

Lilburn's fears, however, were exaggerated. The system died with the Civil War as a dominant factor in the economic scheme. Its principal importance, when we have considered the part it played in nurturing the new capitalist organisation, lies in the fact that it puts an end to the epoch of nominal control. After the Restoration, the attention of the Government was directed toward the regulation of oversea commerce in accordance with the Mercantilist ideal of a carefully gauged and continually adjusted Balance of Trade. From 1680, as regards internal economic activities, dates the era of *Laissez-faire*, though that principle was not specifically adopted as economically advantageous until after the publication of Adam Smith's "Wealth of Nations" in 1776.

But the great enormity had already been committed ; the great gulf was already fixed ; the great destiny of this English State had already been postponed—pray God it is not vainly written "postponed" ; and the next century was filled with the spawning-out of embryo plutocracies about the yet unsullied places of the world. The Puritan Revolution killed the Tudor Leviathan ; but not all the waters in that rough rude sea could wash



away the balm from the head of Mammon or batter the sceptre from his grasping hand.

In 1651, when men were hoarse with crying 'Liberty!' and when wheat was fifty shillings a quarter, the wages of artisans were assessed under the Act of Artificers at one and sixpence per diem; and the wages of labourers at a shilling.

"The eager spirits who crowded into the House of Commons; the mounted yeomen who rode with Hampden; the men who fought and won at Naseby thought no more of the peasant and the workman, had no more care for bettering him, than the Irish patriot of 1782 cared for the kerns and cottiers on whose labour he lived."

A comparison between the attitudes of Catholic and Puritan toward Industrial Morality will not be flattering to a Protestant.

The truth of the matter was that the Revolution was not democratic in essence, and that though the men who gathered at Harington's Rota Club proclaimed that political power is a mere reflex of economic power; though the light shone fitfully in Buckinghamshire and on S. Giles Hill, when poor Gerard Winstanley dug the trenches of his communistic city, the only thorough-going supporters of an extreme democratic creed were powerless in the face of the Councils of the Grandees and a monarchist or apathetic populace. Indeed it is doubtful whether Lilburn ever grasped the truth that political power belongs only to the possessing classes.

The trend of economic development since the Restoration is plainer and more familiar than that which we have

been tracing down from the thirteenth to the middle of the seventeenth century. With the great and glorious Revolution of 1688 a prospect opened for capital of further licence and of wider privilege; for labour of greater neglect and degradation. If during the early years of the eighteenth century there is a tendency to favour small concerns to the general advantage of English commerce rather than to vest special advantages in monopolist patentees—and in that one respect the fall of the Monarchy is the final extinction of the dangerous system of the early years of the previous century—yet it must be borne in mind that the government of the Whigs is the government of great territorialists, that the Whigs further came into office with the goodwill of the Monied Class, and remained in office largely owing to great vested monetary interests created in their supremacy—such as the Bank of England and the Union of England and Scotland. It will be remembered that Pepys records that in 1663 there were barely thirty members in the Pensioner Parliament drawn from the commercial classes, while in 1680 Evelyn already expresses his annoyance at the activity of many distinguished merchants at the election of Charles's third Parliament. The shopkeepers were steadily pressing their way to the front. In 1713 the free-trade proposals of Bolingbroke were wrecked by the silk, woollen, and distilling interests in spite of the "Mercator" campaign in favour of the Treaty, while the power of the monied classes may further be illustrated by the influence of his capitalist supporters on the finance of Walpole.

The "Novi Homines," however, were willing to make

this concession to prevailing sentiment—they would buy land, and so as far as possible assimilate their own position to that of the great territorial lords. Now the land had to come from somewhere, and thus we are brought face to face with a further tragedy of English economic history, the second epoch of enclosure—which affected 6,000,000 acres of land and resulted in the extinction of the yeoman class.

With the details of this process, as with the details of that other great change which came over industrial England during the latter half of the eighteenth century—the Industrial Revolution—we are not concerned. It must be conceded that the great machines had to come and the great factories had to come. It must be conceded that the Strip System was uneconomic and that enclosure had to come. But these concessions made, a heavy indictment yet remains against the political bias in favour of large estates which prevented any attempt to check the urbanisation of the yeomen and to save small holdings in England by an equitable method of re-distribution; and against the political bias in favour of large-scale industries which resulted in an entire absence of governmental control during the process of the crisis. A childish and ignorant condemnation of the great revolutions which were proceeding in the towns and in the country-side would but imperil the plea which has been made, but a case, an overwhelming case lies against a Government which, at this double crisis, refused to guard the interests of those citizens who, at an economic disadvantage already, were likely to be despoiled.

Instead, the Legislative Enactments, over 3000 in number, which made the enclosure possible, are stamped with a vile inequity; while the Law, which had long ceased to regulate hours of work and rates of wages, now enforced more strictly the measures which prevented any combination on the part of the dispossessed to drive a fair bargain with the capitalist employer. When wheat was 100 to 150 shillings per quarter all contracts were illegal (except those between employer and employee) that were for obtaining any increase of wages or for reducing the hours of labour. Workmen meeting for the purpose of furthering such objects were liable to imprisonment; and, out of the public purse, indemnities were to be paid to informers.

"At his own door at Beaconsfield," cried Thorold Rogers, "Burke must have daily seen serfs who had less liberty than those Rohillas whose wrongs he described so pathetically and dramatically."

Not the glittering fabric of political freedom; not the Petition of Rights; not the Grand Remonstrance; not the Act of Settlement; not all the sturdy regiment of patriots; not Cromwell; not Sidney; not Chatham—none of these had spent a line or a sentence on the things that mattered most of all. It may be good for a nation to think that it is free. It is a great deal better for a nation to be so.

But as the nineteenth century advanced, when the children had given their lives that the Continental System might be worn down, when the strains of the Song of the Shirt had long been heard in the by-ways of the cities, the "Moral Sentiments" began to seem less



hallowed, the justice of the "Invisible Hand" more hollow, and the humanitarian movement launched its eirenicon. The logic of the system must not be left to pursue its own course. Competition between the owners and the dispossessed must no longer be given free play. The wheels of the Juggernaut must be velvet-swathed; but the course of the Juggernaut could not be stopped. The work of Owen fell to pieces; the voice of Mill died away into the shadows. But the tinkering of the kindly-hearted from 1825 when the Combination Laws were repealed, through the long course of the Factory Acts, the Shaftesbury Acts, the Cross Acts, till 1912, when the sick and inefficient operatives are being compulsorily healed at their own expense, is a long and a pitiable tale.

Our task is finished; we have traced as clearly as we could the process of Dispossession, blaming as we have proceeded neither Man nor Destiny, but regretting the spirit of the Administration through the centuries, knowing that through the centuries another order might have been.

N. J. S.



## CHAPTER II.

### CONTEMPORARY PRACTICE.

IN tracing the process of dispossession we did not trouble the reader with the complication of detail which marked its advance during the nineteenth century. It was so far sufficient for our purpose that having discovered the nature of the Gild System and the causes of its collapse, we should only point to the new tide of development which took its rise from that collapse and broadened out into the full sea of modern industrialism. But we may now pause awhile to consider the results of this new system, to consider, that is, the Proletariate State ;<sup>1</sup> and to exhibit some of its necessary and more important implications.

<sup>1</sup> The use of the term "proletariate state" throughout this chapter may call for some explanation. It is here used quite deliberately to designate that kind of state which is more frequently termed "industrial" or "capitalistic". The term "industrial" is avoided because of its vagueness; the term "capitalistic" for two reasons: first because its use commonly imports a confusion which it is important should be avoided; and secondly, because it is less appropriate to our purpose. The confusion results from an implied equivalence between "capitalistic" as denoting that kind of state whose economic foundation is private property in the form of massed accumulations, and "capitalistic" as denoting not the presence of property but the congestion of such property in the hands of a minority. We desire a state which is "capitalistic" in the first sense but not in the second. From this false equivalence between what is

It is a prime condition of the proletariat state that of the property within it a great majority of the citizens should own almost nothing at all; and that lacking ownership and any means of subsistence save their labour they should work under and for the few who do own. Now such a definite economic disposition of its very nature gives rise to consequences which necessarily flow from it while it persists, and make themselves felt in a thousand and one ways in the life of the state. So that having grasped the principle of it the inquirer could, almost without any recourse to observation, infer

owned and who owns it springs the notion that material progress—the increase and reproduction of property—necessarily proceeds from congested ownership, and as necessarily wanes when ownership is distributed over a larger area. Secondly, the term “proletariate” is more appropriate to our purpose. For, if, as we assert, the important thing in any state is the condition of all of its citizens, and if that state is most desirable whose institutions, laws, customs and social life best reflect and embody the activity of its citizens, whether for good or for evil—then, in discussing our present position, attention is best riveted upon the condition and circumstances of the majority of the citizens and not on those of any special or temporarily predominant section of them. If this be so, then unquestionably the condition of most Englishmen is proletariat and so should be designated. For, even if this process be not already complete, the number of those affected by it is steadily increasing; so that he who should now designate as ‘proletariate’ the state whose character they are determining would be looking not more than a decade ahead at the farthest. Some few, indeed, are not so affected; but it is this very contrast which constitutes the peculiar essence of the proletariat condition. By a happy providence it has fallen out that these few who possess the land and own the industries also run the government. But no one caring for a democracy, however much he might admire—whether mistakenly or not—the ability, skill and foresight with which so few men control so large a governing scheme, can pretend that such a regime fulfils the least, or indeed any, of the conditions of a true democratic state, or is ever, while it remains, likely to do so.

with accuracy its probable operation. As it is, we have only to examine contemporary practice to discover everywhere the characteristic marks of its presence, and the manner of its evil working.

To begin with what is most familiar, let us consider the general claim for modern industrialism and proletariate industry, and examine the argument by which that claim is supported.

Now it is urged for this form of industrial organisation, as its first justification and claim, that whatever be its other disadvantages and however much we may dislike it, nevertheless it is there; and that it is there because it is *inevitable*. We 'could not get on' without it. A man will say: "I can see the cruelty, the wastage, the lack of correspondence to needs, I can see all this evil which the system involves, but is it not plain that without it even bare necessities could not be procured at all? Take away large-scale production and the modern state would simply collapse and its population die off. And for large-scale production the present organisation with its centralised ownership and direction is a first prerequisite. Consequently, proletariate industry is an economic necessity of such moment that it is the merest folly to attempt its removal on the ground of its incidental disadvantages."

Such is the claim and the argument upon which it reposes.

Now if we examine, first, the essence of this proletariate industry; secondly, the proper functioning of production; and lastly, the conditions involved in that proper function-

ing, we are led inevitably to the conclusion that the claim is groundless and the argument which defends it false. For, in the first place, we can see at once that modern industrialism is a tragic failure.

It does not supply.

The nearer it advances towards the completion of its own nature, the larger the sphere it embraces, the greater its productivity—even if it be doubled, or tripled, or quadrupled every few years—the more obviously does it register by its very achievements its own more complete failure. The extension alone of such a system demands a corresponding increase in the number of those whose condition is proletariat, those who have no resource but their labour and the wages they receive for it. And as the system, if it is to be permanent, requires also the permanence of such a class, it follows of necessity that even though the spread of it over the widest possible area were to cause an increase by a hundredfold of the volume of production, yet of that increase no more *can* go to the now very large class of proletariat workers than is necessary to keep them efficient as workers. Never can they get so much as would enable them to set aside such a reserve as would allow them to establish a proper economic resource other than wages. For that would be to destroy their proletariat condition and so cut at the root of the whole system. So much is evident from a consideration merely of the nature of proletariat industry.

Consider, in the second place, the validity of this claim from the point of view not of the social machinery involved in production, or of the allotment of an economic



position to each class of citizens, but from that of the end of industry, of the proper functioning of production.

Now it is clear that industry has as its object the production of such utilities, of such wealth as shall provide for the needs of the citizens. But modern industry fails in this, that though it produces utilities, it does not distribute them among the citizens. Such production benefits not most men, not even a comparatively large number of men, but, in proportion to its own aggregate, very few. With each year's increase of wealth there is not a corresponding increase in the wealth and position of the average man. A few rich men grow rapidly richer, some of the men of moderate means may manage to maintain their former position, while, if we are to believe our leading economists, the condition of most men is relatively worse. So that despite a large annual increase of output, the gain of accumulated economies, the opening up of new markets, a greater volume of exchange, a higher efficiency, a stricter regulation, the application of scientific processes, and a notable speeding-up all round, none the less in relation to the aggregate increase in wealth the ordinary man goes on growing poorer. And with such a system this result is, until the system breaks down, inevitable. Therefore, though the proletariat state may secure production on a scale vastly greater than was ever known before, yet it is plainly a wayward, insensate production, and brings no proportionate reward to those whose labour engenders it. And it is for such a poor thing as this that we are content to assign to the great majority of the people a condition always harsh and feverish, and sometimes tyrannical.



Production, then, in the proletariat state, exhibits a perversion of aim that must ultimately be its ruin. To enrich the few it dragoons the many.

Now a critic might object : " Yes, that is all very well, but production has to go on, and there's an end of it ! " In some such fashion will he repeat the claim made for modern industrialism that without it there must be a collapse of industry.

It would be a queer thing indeed if the proletariat system, a thing so cruel and futile, should be an economic necessity.

But if we examine it we find that it is not even such a necessity.

Not even by production on the modern scale is such an organisation demanded. On the contrary, it is true that such a system must result, and is *now* resulting, in the crippling of industry. Not only is it functioning badly in exhibiting such a grotesque lack of correspondence to needs, but it also contains within it the germs of its own decay. It is destroying the very conditions that make production possible at all.

For production is not an automatic thing that goes on by itself like a clock when once set going. There is no production of any economic value unless there be either an ascertained or an expected demand for the thing produced. Production is thus, to use an algebraical term, a function of demand ; it varies with it, and likewise ceases when demand ceases. Consequently the volume, the intensity and the quality of production tend to vary with the volume, intensity and quality of demand. It is upon the close correspondence between these two

factors that the healthy operation of any economic scheme must necessarily depend. There must be a demand for goods as well as a responsive production of such goods. The two are complements one of the other.

Now the proletariat state is breaking down because so far from securing the permanence and increase of that sort of demand which is a prerequisite condition of production, it gradually eliminates it. For it is a first consequence of the proletariat organisation of industry that of the total output of new wealth the greater part should flow into the pockets of the few who own, and but a small part into the pockets of the many who do not. But the productive activity of to-morrow must necessarily result from the demand exerted by the holders of to-day's wealth. Therefore, in the proletariat state, the bulk of the new demand by which industry thrives, and also the increase in it, is coming to proceed more and more from the few owners of the instruments of industry, and less and less from the many non-owners. Lower and lower sinks the demand of the great mass of the people.

This steady weakening of demand reacts not only on the volume of productive output, but also on the quality of it. For demand is not mere desire, but desire backed by an economic resource. A man may have money enough to call for an article, yet not a resource large enough to affect the quality of the article. It is necessary to be able not only to demand an article, but to refuse one that is unsatisfactory. Thus a starving man with a shilling may indeed purchase a meal, but he cannot necessarily purchase the kind of meal he would most

like even though it might cost no more than a shilling. He cannot wait. In the same way, where the great majority of citizens in a state depend upon a wage which is just sufficient for their present needs—as in the proletariat state—it is obvious that lacking all reserve of property they must needs purchase what is nearest at hand. They cannot influence the quality of production, and so cannot alter radically the material conditions of their lives.

It is clear, therefore, that the demand in response to which industry grows is being undermined, and that it is being undermined precisely because the property created by a proletariat system of production necessarily flows into few hands.

But though this impoverishment of the general demand is undoubtedly a fact, yet its results are not yet plainly to be observed. For many things combine to hide and cover up the real process.

The most familiar evidence, perhaps, of the existence of this tendency is the phenomenon known as over-production. Over-production means the output of a larger volume of commodities than the market can absorb. Some people imagine that it means that people are already fully supplied with commodities. Though the causes of over-production are many and complicated, it is beyond doubt that the primary cause is the general impoverishment of the possible buyers by the uneven distribution of wealth and the correspondingly excessive enrichment of the few who control industry. Paradoxically, the cause of over-production is under-supply.

But the prime phenomenon, of those which hide the real

tendency towards the breakdown of modern industrialism, is the export of capital and the opening up of new markets.

When in the proletariat state the excessive congestion of wealth in the hands of the producing owners has reached such a point that it begins to produce a marked decrease in local demand by reason of the resulting poverty, the returns of industry are affected, and it becomes no longer profitable for the owners to invest the incoming wealth in the further exploitation of local demand. Consequently they begin to cast round for some outlet for this capital in order to secure a return which will be more remunerative.

Now a more remunerative return is commonly secured by adopting one of two policies. One is to increase the output of existing industry, to meet not a greater local demand, but a new external demand. Such an external demand may result either from the opening up of new markets, say in China, or by the establishment of successful colonies. The other policy is not to extend home industries but to invest the capital (which such an extension would absorb) in foreign industries, which give a better return. Hence the phenomenon known as the export of capital. Our statisticians tell us that in the last six years the export of capital from England has accounted for some £500,000,000 or more. It is absurd to pretend that the sole reason of such export is that Englishmen are already adequately supplied with commodities. It is demonstrably due to their being grossly under-supplied with them. It is full of significance that England, the country where the proletariat



system first arose and is now most highly developed, should outstrip all other countries in sending its capital abroad, and that the countries that have adopted an active colonial policy—England, and now Germany and America—should be those in which capital is most congested.

The proletariat state, therefore, is not necessary to production but hostile to it. It attacks by its operation the very conditions without which production cannot exist at all. The completion of such a system of production is the extinction of production itself.

Yet this consequence is not realised generally in England because, as we have shown, the acquisition of new markets has covered up its real effect; and while it continues the feverish activity it engenders deludes us with a mirage of boundless prosperity. But with the complete exploitation of new markets and the final reduction of the mass of the population to a proletariat condition, must come its rapid decay, and with it a state of degradation and misery beyond even that of the present, and quite unparalleled in our history.

From a consideration of the purely economic consequences of the proletariat state we may proceed with advantage to examine its more important social results. For these, though they would seem to spring primarily from its economic working, are yet of such moment as to require independent treatment.

The greatest secular achievement of the Christian



Church, in its influence upon Europe, was perhaps the gradual extinction of slavery and with it the discrediting of status as the main principle in the ordering of society. Now status can exist without slavery. For status is the allotment to every citizen of a fixed place in the social organism ; whereas slavery connotes not only this fixity of position and function, but also a fixity not common to all the other members of the State. It attaches by contradistinction to the position and function of only some of them, and commonly together with a direct relation of ownership between two persons—one whose position and function is determined, and one who is free.

Ancient civilisation, and notably that of Greece and of Rome, was founded on one or the other and sometimes on both of these principles. But, as Sir Henry Maine has observed, we find as a historical fact beyond all questioning that the common characteristic of progressive societies has been the development from status to contract.

Now it is of the utmost importance to remember that though as a result of this development the legal systems of Europe all presuppose the universal operation of the principle of contract, of individual liberty and choice, and are accordingly framed upon that basis, yet within those states where capitalism (in the sense of proletariate industry) has gained a firm footing, and especially in those areas of such states where its domination is most pronounced, the actual facts are at variance with legal theory. And the difference becomes more and more important as this form of economic organisation is ex-

tended or perfected. Consequently it is in England that this discrepancy is to-day most marked. For the individual worker in modern England, and especially in the lower grades of industry, free contract hardly exists. And this is not because our jurisprudence refuses it recognition, but because of an economic disposition which makes it almost impossible in practice. The wages of most workers are not fixed by free bargaining or by real agreement, but approximate to that scale of remuneration which is requisite for productive efficiency. The worker in the proletariat state has no bargaining power whatever because, being propertyless and dependent on a wage which will just suffice for present necessities, he cannot withhold his labour. And this is an inevitable result of the proletariat system of industry.

The process of dispossession, by which, as we have seen, the great majority of men have been ousted from all ownership of land or machinery, has left them with no other security or source of livelihood but their labour, and this labour they must exchange for whatever return is offered. It is certainly true that this disability of the individual to bargain has to some extent been countered by a policy of union, by collective refusals to labour on unsatisfactory terms. But it should be remembered that just as the power of bargaining in the individual rests upon the possession of an economic reserve of property, of resources which will enable him to stand out, so also the power of bargaining of a Union ultimately depends upon the presence of a similar reserve to the Union. And for such a reserve to be an effective weapon of bargaining it is essential that the control of it should be

unfettered. It is for this reason that the contemporary effort of the capitalists to disarm the Unions, and to earmark their reserve and capital for pacific purposes only (by means *inter alia* of the Insurance scheme) is so full of danger for the future. For should it succeed it must finally reduce the Unions to that position of economic powerlessness under which the individual worker suffered before the Union arose to lessen it. The *raison d'être* of the Union is to make some sort of bargaining possible. But to surrender under any pretext whatever the right to strike, or the economic autonomy without which such right is meaningless, is not merely blundering generalship which may be retrieved, but incurable blindness at the least.

The advent, therefore, of the proletariate state has plainly arrested the development from status to contract, for by every available test we are on the high road back again, not merely to status but to slavery. For by what other name can be called that condition which consigns the lives of most men to the dictation and control of a few? It may, indeed, be a gilded slavery, for slavery consists not in being uncomfortable, or poor, or badly fed, but in the permanent limitation of one's activities to the direction and for the benefit of another who is free.

If the abolition of contract be the consequence of first moment to society by reason of the growth of proletariate industry, that of second moment is undoubtedly the thing generally known as the wage-system.

We are so accustomed to the presence of the wage-system and to its almost universal operation, so disin-

clined to see in it anything as it were unnatural, anything that soils human dignity, we are so prone to accept it as something in *rerum natura*, as inevitable as the desert, that when we are told that it is cruel and inhuman, then by some strange loyalty we make a bold fight for it, and, if argument fails to stay the attack, stop up our ears. Yet it is a thing of so foul and ugly a nature that it stirs up the hatred of the increasingly large number of men who are so unfortunate as to come under its domination. For it registers their permanent spiritual degradation. It is the mark of a capitulation more complete and infinitely more dishonourable than any recorded in the history of arms. For its effects cover generations in time so that many men are born under its dominion. Despite this we cannot be brought to hear the ominous mutterings in the regions under it, and are terrified as by a monstrous and angry portent when occasional tides of disturbance surge up to ruffle the placid surface of our comfortable lives. It is only when the wheels stop running and the hands stop plying that "labour unrest" means much to us; and the very term reveals our attitude.

Now unless we are at pains to understand the true nature of the wage-system and where the evil lies, we shall go dangerously wrong in our estimate of its proper remedy. Consider, for instance, the recent strikes. The capitalist papers were amazed, for, as they said, they could discover no cause. There was no exceptional cause. There was no exceptional grievance, no exceptional hardship, no political disadvantage alleged which was at all proportionate to the upheavals. A minor affair to which no one thought it worth while referring



would cause a general stoppage. The men were striking against the very system. The protest was physical, inarticulate, often spasmodic, but always real and spontaneous. So that the problem is not the removal of some local hitch but the removal of the system. Only such a general cause could occasion revolts of such extent and fierceness, and this, too, despite the avowed pacific counsels of the leaders. It is essential to realise that to-day strikes and revolts are primarily against the very system itself. We shall therefore proceed to an examination of the system, and endeavour to discover its main outline.

The first thing to note is that the wage-system has in it something which sharply differentiates it from any single instance of wage-relationship. It is not merely the wage-relationship writ large, but it is that and something more. For when in any society the wage-relationship becomes so widespread that it gives a new complexion and setting to the whole economic scheme, it takes on a character which is not necessarily present in any single instance of it, a character which is the mark of it as a system, stamping it with its peculiar form. We can make this clearer by resolving the wage-system into its elements.

Where two or more people undertake a joint enterprise of any kind whatsoever, the direction of the undertaking, the control of the activities exercised in it, and the right to the resulting property are all *primâ facie* vested in each of them equally. Now such a division or distribution of the control, management, and property may of



course be varied by agreement. But initially, at any rate, the nature of the undertaking and the rights of the parties give each of them an equal share both in the control and in the property of the concern.

In opposition to, or rather as a modification of this, there is the form of enterprise which is based upon the existence of the wage-relationship. That is to say, in return for a fixed predetermined wage lasting over a specific period, one of the persons who jointly undertook the enterprise surrenders both his right of control of it and his right of property in it. If the agreement be freely made, and the party so agreeing to surrender these two rights in return for a wage be under no unfair pressure, economic or otherwise, so as to be coerced into making it, then it may be taken that the agreement is fair and that the wage given represents to its recipient a fair return for the surrender, first of his right of control and secondly of his right of property.

This form of agreement is not only perfectly legitimate but is also a direct consequence of the right of a man to manage his own affairs. If a free man has a right to a thing, he is equally entitled to surrender it on his own terms.

Now as distinct from, and in direct opposition to these two principles, there is to-day a third. It is the widespread operation of this third principle which constitutes the wage-system; and the wage-system, as we have said, is not merely the wage-relationship writ large but that and something more.

Where no *wage* is paid and no relationship of wage arises, all the parties retain their rights of control and

property. Where a wage is paid and the relationship of wage arises, one party retains his rights of property and of control, while the other surrenders his and takes a fixed money return. Thus the essence of any normal instance of the wage-relationship is that as one party has his rights enlarged through the surrender by the other party of his rights, the value of such rights to the party surrendering them is secured to him by such a wage as is an equivalent for their loss. The original balance of advantage is thus retained. But where the wage-system prevails the wage paid does not tend to include the surrender-value of either of these two rights, but ignores them. So that the proper balance is not preserved, and the basis of all industry that is so conducted is at once unnatural and unjust.

Now such an original perversion of constitution could not of its very nature persist in any society without exhibiting far-reaching and equally perverting consequences. It cuts to the very quick of all human intercourse. For of these two rights, one of them—the right of property—has in any normal instance a definite objective value, capable of assessment; the other—the right of control and, therefore, *the right to control the activities of the persons engaged in it including his own*—has no such definite and objective value, and cannot, since it touches a thing purely personal, be estimated justly except by the person in whom it inherently resides. Therefore in order to secure that this *primâ facie* right of a man to the direction and application of his own activity shall not be bartered away in return for nothing at all, it is essential that he should be in a position either to retain his right

to such control or to surrender it on terms satisfactory to himself.

It is at this point we see the gulf that separates any single instance of the wage-relationship from the wage-system. For the wage-relationship, when founded, as supposed, upon a free agreement, does allow full scope for the option to retain or to release either or both of these rights. Therefore, if a man does not receive their value as assessed by himself, he has only himself to blame. But where the wage-system prevails, as it necessarily prevails in the proletariat state, in the fixing of wages it is never even considered that a man has a *primâ facie* right both to the property and to the control of the industry. For in the proletariat state the worker has no property, and therefore cannot withhold his services so as to enforce his rights. He is indeed often thankful for his wage, but its amount represents not what was asked for or any modification of it but what is requisite to keep him productively efficient. Consequently such rights are ignored; they are not represented by the wages paid, and it is therefore immaterial whether the wages are high or low. In fine, wherever the wage-system exists in a community, those who come under its operation are regarded as not having any inherent right to control their own lives. They are denied the most precious thing a man as man can possess.

The wage-system stands, therefore, for a spiritual capitulation. Those who do not revolt against it are confessedly spiritless tame men who will take any insult lying down, for do they not unreservedly place their persons and their families at the unquestioned service of any

who will keep their poor bodies from starving? It is, therefore, a very hopeful sign that only last year men rose up and struck for what the papers called no reason at all. For in this state of ours things have come to such a pass that not only is a man regarded as having no right to say how and under what conditions he shall work during working hours, but the discipline exercised during work is being gradually extended to cover his activities when not working, lest he shall use them to the detriment of his master's (or owner's) business. Thus, to take one of many instances, it was recently reported the "magistrates at Rhyl had decided that two o'clock in the morning is far too late an hour for shop assistants to dance."<sup>1</sup> For *shop assistants*, mark—mere workers! Who can imagine magistrates at Rhyl deciding that two o'clock in the morning was far too late an hour for city counsellors to dance or for stock-brokers to play cards? Why not? Because they do not come within the category of mere workers whose chief care ought to be to keep efficient for their master's business. The category of people who are so regarded embraces all whom the wage-system governs, and its limits can now be traced almost geographically.

Such, then, in brief are the main features of the economic scheme under which we live. And it has also been shown that so unjust a disposition of wealth cannot remain without making its influence felt in our social arrangements and bringing these at length to conform to the same plan. The proletariat state necessarily pro-

<sup>1</sup>Quoted from the "Evening News" by the "New Age".



duced the wage-system, and, while the wage-system persists, civic equality, and consequently political and legal equality, are as necessarily excluded. When one man has at his arbitrary disposal the economic fortunes of many men, no scheme or polity of any kind will secure the simultaneous redress of that inequality in any of the other spheres of life—civic, political, social or legal.

There is one inherent disadvantage which besets all attempts to review matters that are of our own age. For living contemporaneously with and being part of that order of things which we would estimate, we are unable to rise far enough above it to be able to see all its parts in their proper place and magnitude. So that it must happen that to many things of great proximity we are blind, neglecting them because of their obviousness; others we miss because of their distance; others, again, we misconceive, not seeing how they bear to one another. It is, therefore, very important to secure a proper correction of this disadvantage, and to that end there is no better means than that of historical comparison. For by observing the motion of events we can in a measure obtain a truer idea of the different elements in their proportions and disposition, and also of the shiftings of them in the procession of the years.

If, then, present analysis shows the havoc of the proletariat system, we may well look back a little way to discover whether the ills it causes now are new and increasing, or whether we are at the end of them and can look forward to better days.

Though there is a plain need for such a complete historical review as will either confirm or upset the



conclusions of a present analysis, it is not necessary in this matter to go back more than half a century to discover whether the real development has been towards the enlargement or the restriction of the proletariat system. For the movement which had as its conscious object the overthrow of that system did not begin to be widespread and permanent till about the seventies. And such a period of time in modern history is sufficient to lay bare the permanent tendency of any movement.

Bearing in mind, then, that our test is the measure and degree by which the existence of the proletariat state has been affected, the proper questions to be answered can, therefore, be set down as follows :—

1. Does the average man possess a greater or a less economic resource, as against that of his master, in 1912 than in, say, 1880?

2. Compared with the increase in the population, is the proportion of men working under proletariat conditions greater or less in 1912 than it was in 1880?

3. Do the Unions possess a greater or a less economic reserve of property, *as against the owners*, in 1912 than in 1880?

4. Does the capitalist exercise a more stringent or a less stringent control over the lives and activities of his men in 1912 than in 1880?

5. Are the capitalists more united (both actually and by understandings) or less united as against the unity of the workers' Unions in 1912 than in 1880?

6. Is the power of the capitalist over the money-market, over political policies, and over the party organisations

greater in 1912 than in 1880? (In this case we do not make any mention of the workers, for though the capitalist's influence over their bodies certainly affects them, yet they themselves never had and do not now possess any real power or influence on these three things or on any one of them.)

7. Has there or has there not been a gradual speeding up in all industries so that in 1912 the ordinary worker must turn out considerably more work in an hour than in 1880?

8. Are the instincts and traditions of the capitalist more national or less national to-day than formerly?

The reader can answer all these questions for himself; and he can answer them in only one way. These questions all touch on points which go to the root of the proletariat system of industry, and the answers to them invariably point to the growth and strengthening of that system and to consequent enlargement of the rights, powers, and position of the owners.

Yet this period, which has resulted so disastrously for the workers in point of general advantage, is the very period during which 'democratic' reform gained the day. The Reform Act, which first conferred the suffrage on the working classes, and included (as Bagehot observes) even the unskilled labourer, was passed in 1867. Three years later there was an Act conferring the gift of popular education; while the franchise was further extended in 1884. And, in addition to this, Local Govern-

ment Acts have provided extensive rights of local suffrage in every county of the Kingdom.

By all the formal tests, then, of democratic progress a very large measure of power had been conferred upon the people. And those who hoped to rectify the economic balance against the workers saw in this extension of the suffrage the weapon by which it might be accomplished. The superior voting artillery of an enfranchised proletariat was to batter down the walls of economic privilege and of economic power.

But nothing happened.

As for the democratic formulæ, there is hardly a particular in which they have not been carried out. There has been almost a complete concession of political rights ; almost a complete recognition of the political status of the workers. But no one can point to any change in their economic condition which does not in reality amount to an aggravation of it.

The thing that strikes one first in this general failure of the reformers is the manner of it. For the failure cannot be traced to any burking of their policy, but exists despite the success of that policy. There was thus some element in the situation which they miscalculated or did not see at all ; an element of such importance that it could divert the democratic policy from its professed and proper object and lead it blindly astray. This thing was the real nature and foundation of the power of the ruling classes, together with an incapacity among reformers to see the line these would take in the defence of such power.

Let the reader now consider, first, the deliberate and

avowed policy of the ruling classes and how it fared ; and secondly, the policy adopted by the workers and how that fared.

In considering the policy which the ruling classes adopted we cannot do better than set down their view of the situation as it presented itself to one of their number about the year 1870. No one will dispute the capacity, foresight, and influence of the author we have selected, nor the accuracy of his judgment.

Writing in 1872 in the introduction to his "English Constitution," Mr. Bagehot maintained that 'cabinet government was possible in England because England was a deferential country'. 'The nominal constituency was not the real constituency ; the mass of the "ten pound" householders did not really form their own opinions. . . . The issue put before these electors was "which of two rich people will you choose" ? And each of those rich people was put forward by great parties whose notions were the notions of the rich—whose plans were their plans.'<sup>1</sup> But with the Reform Act of 1867 which "enfranchised unskilled labour too" there had been introduced an element of uncertainty, an uncertainty which constituted a grave and delicate problem for statesmanship. Would the new voters submit to the same wise guidance ? "Will they defer in the same way to wealth and rank, and to the higher qualities of which these are the rough symbols and common accompaniments ? . . . The future of this country depends on the happy working of a delicate experiment."

<sup>1</sup> All these quotations from Bagehot can be found in Nelson's shilling edition, p. 12, *et seq.*



Such was the problem as it presented itself to Bagehot. It was not for him an insoluble problem but one which might be successfully overcome by foresight, tact, and a proper understanding between both parties as to how the new voters were to be handled. "In the meantime our statesmen have the greatest opportunities they have had for years . . . they have to guide the new voters in the exercise of the franchise; to guide them quietly without saying what they are doing, but still to guide them. The leading statesmen in a free country have great momentary power. They settle the conversation of mankind. . . . And in settling what these questions shall be, statesmen have now especially a great responsibility if they raise questions which will excite the lower orders of mankind; if they raise questions on which those orders are likely to be wrong. . . . They will have suggested topics which will bind the poor as a class together; topics which will excite them against the rich. . . . What is mostly needed is the manly utterance of clear conclusions; if a statesman gives these in a felicitous way (and if with a few light and humorous illustrations so much the better) he has done his part. He will have given the text, the scribes in the newspapers will write the sermon. . . . But in all cases it must be remembered that a political combination of the lower classes, as such and for their own objects, is an evil of the first magnitude. . . . So long as they are not taught to act together, there is a chance of this being averted, but it can only be averted by the greatest wisdom and the greatest foresight in the higher classes."

It is no small tribute to Bagehot's foresight, and to his



accuracy in gauging the temper of the English people, that this plan of campaign should have met with such astonishing success. The very ease with which it has been carried through, after having been so openly avowed, is almost beyond belief. Bagehot had said in effect: "We have conferred all the forms of power upon the masses; but it is essential that we should retain the substance of it. We must only seem to abdicate." And so it remains to-day. It is from the "English Constitution" that every new generation of the ruling classes has learnt its first lessons in statesmanship at the Universities, and who can doubt that they have been taken well to heart?

One thing only was needed. That was a more extended and less intermittent machinery to enable the leaders to keep up a continuous din of "manly utterances". This has been provided first by an extension of party organisation with its campaigns and trumpetings throughout the whole country; and secondly by the complete capture of the daily press with its enormous resources for clever advocacy. Add to this the extension of a centralised and bureaucratic system of education, the whole spirit and tone of which is a mere replica of the wisdom and prejudices of the politically dominant class, and the machinery is complete. The sons of the people become not the spokesmen of the people, but their enlightened instructors.

If the cumulative effect of these influences be considered, it will be seen that, all tending towards the same end, they constitute a driving force of tremendous power. Nor was there any popular cohesion or initiative of any moment to counteract it or challenge its progress.

Now although too much importance cannot be attached to the adoption and steady pursuit of this policy, nevertheless the present plight of the workers owes infinitely more to the folly of the masses themselves, the complete absence of any clear vision, and the general poor quality of their leaders.

The facility with which these leaders could be duped, side-tracked, flattered, cajoled, browbeaten when obstinate, and (when all else failed) bought over, passes all belief. Nor did they learn even by experience, but became still more pliable. For while the rulers learnt to rule more and more easily, as conjurers by practice reduce the obstinacy of their art, so too did the warriors of the people learn, as rats in a trick cage will learn by repetition, to co-operate by releasing the spring with greater ease. Or like clay brought to obedience, they gave way more easily at each attempt to the moulding of the political potters. Who can be surprised, then, that to-day there is a revolt from the political brethren altogether?

There are many indeed who doubt the possibility of retrieving such a defeat as these men have brought upon us. But it is not yet too late. It is therefore of capital importance that by contrast with false policy the principles of effective action should be clearly demonstrated. This will involve a consideration of the main lines of the policy that was actually pursued.

The first extension of the suffrage after the Reform Act of 1832 came some thirty years later—1867. There was

a further extension in 1884. Between 1867 and 1884 came the rise of that principle of legislation which is known as Collectivism. But it was not till the nineties that the working classes first turned definitely to political activity.

Now the thing of importance to note is that the period of 'democratic' reform was roughly coincident with the period of Collectivist legislation. And both still go hand in hand.

Bearing this in mind, let us begin by running over the cardinal points of the situation as it presented itself to the reformers.

First, they saw the overwhelming economic advantage of their owners and masters.

Secondly, they were anxious to redress this inequality.

Thirdly, they had just secured the vote—the weapon of political power.

Fourthly, they hoped to be able by the superiority of their political voting power to redress thoroughly their economic inferiority.

Now it must never be forgotten that whatever be the policy which the reformers adopted, the test of success in every case is the degree to which it checked the advance of the proletariat system and gave it a set-back. No other achievement was or is of any value.

It was not till the last decade of the nineteenth century that the workers definitely turned to independent political activity. So that they have now been fishing in that pool for some fifteen years. It was thought that great numbers would gradually find themselves attracted and at last converted by the unique quality of the Labour pro-

gramme, till at length they would so gain in strength that their enemies would be forced to come to terms with a party that held a permanent majority in the Commons.

But it was also thought that the success of this policy demanded that as many people as possible should be drawn to Labour by the attractiveness of its programme, and as few as possible repelled. But it would greatly endanger its success for it to show too rugged a favour. In consequence it continuously aimed at the repression of all agitation which might make it seem too revolutionary or disturbing, and so frighten off possible adherents who had an affection for peaceful methods.

The result, therefore, was and is that as political activity advanced in favour economic agitation fell into disfavour, while the success that attended the peace displays of those who had already risen to some political eminence was a duly impressive lesson to those who hoped to follow in their footsteps.

But the real situation, and the measures necessary to cope with it, were so feebly grasped by these political advocates that the real result was far different from what was hoped. For this 'unique' programme of the Labourites turned out to be no monopoly of their party; but measure for measure, advocacy for advocacy, they found themselves outwitted and outbid by the very forces they were supposed to be attacking, and especially by the Liberal section of them. The measures which they proposed as bound to exterminate the capitalist were put forward in a more 'advanced' form by the much more wide-awake advocates of the capitalist classes. These foresaw the real effect of such measures; the Labour politicians—who



had extracted them from liberal and progressive textbooks—did not.

Thus it fell out that as against the position of the capitalist the political advocates of Labour resolved to bring not only a force that was primarily political, but also a force that was primarily pacific. For it was dissociated from every form of economic agitation. Now even supposing that this division of forces was not a weakening of their position, it is plain that by using political activity alone they had little chance of making any breach in the defences of their opponents, which consisted of the full (1) economic, and (2) political power at their masters' disposal. But, as it was, this division of forces and repression of economic agitation and pressure did not result in the loss only of such power as the economic agitation possessed directly, but in the loss also of such power as it possessed indirectly. Its repression actually weakened the political arm and reduced it to almost complete powerlessness. For bitten with the mania of Collectivism the leaders did not see that there was no conceivable method of shaking off the economic tyranny of the masters which did not have as its first aim the strengthening of the economic resource of the Unions by adding to the property both of the workers as individuals and of their corporations. For property was the bugbear of these leaders except when it came as the emolument of success in politics. The consequence was that not only did they throw over the power which rested upon the economic reserve of the Unions, but they also embarked upon a policy which so far from achieving the strengthening of the resources of Labour had quite a



different goal, and aimed at strengthening and enlarging the powers of the State and its satellite bodies.

It could hardly be expected even by one who had not the evidence of its actual results before his eyes, that a policy which was founded upon the repression of economic agitation could achieve very much in the way of economic emancipation, since it began by undervaluing the very element which it was called in to strengthen. And this blindness was evil in two ways, for not only did it darken the minds of the leaders by obscuring from them the true aim of their efforts, but it also brought confusion upon their constituents, by scattering their attention just when it should have been concentrated on a supreme issue, and so striking at every motive for cohesion and common action. And this in its turn led to a double weakness, for not only was each man's vote at the mercy of any one of the innumerable purely political expedients which were dangled before him, but it was also divorced from any co-operation with his economic demands, and so isolated.

In the highly abnormal conditions of modern industrialism, the power to vote, divorced from all the intimate and strengthening surroundings of voluntary association or of corporate activity, means nothing whatever unless there be a power behind the vote. Modern capitalism, now it has succeeded in breaking down all the natural defences against tyranny, can safely confer on its victims twenty votes apiece without endangering its real security. The conditions of proletariat industry are so feverish, grinding, and exacting that they reduce men to living pulp desirous only of rest and ease. To men so

conditioned there is no difficulty which is not a doubt, no sound which is not a deafening, no voice that is not a Babel, no sight which is not blurred. For them one thing only bulks definite and solid—the struggle for bare life. It was therefore a moral certainty that to replace a plain immediate economic aim by a distant, confused, and thoroughly uncertain political aim was to abandon both the only objective they could normally understand and also the only aim that could help them. Take away that objective and men so conditioned will vote for or against any high-sounding polysyllabic proposal with equal hopes—understanding nothing of its real import, but trusting fully to those who can soothe their ears with empty words.

Nor could those men fare any better who were responsible for this condition of their constituents. Is it not plain that they are without plan or principle, with no notions save those cast off as antiquated and handed down to them by their more astute Liberal colleagues, a prey to every device or parliamentary trick or even to the mere conjuring of words? And what spectacle more ludicrous or to their real opponents more entertaining than to see the political leaders of Labour running counter to every economic movement of the workers, and so repressing the very forces that could make their votes a reality and a power?

Nor even did they learn by experience that the driving force of any political party is not to be determined by the number of its heads but by that of the forces behind them in the country. In the history of the Irish Party there was the strongest precedent of all. For Parnell the first counsel, second counsel, and third counsel was

"Agitate," "Agitate," "Agitate". It was not that the land agitation increased his following in the Commons or that its cessation would lessen it; but he knew well that to stamp out the land agitation in Ireland would be immediately to lessen his *power* in the Commons though his voting strength remained the same. He could drive measures through Parliament because he could make things uncomfortable without Parliament. The rents would not be paid.

It was bad enough that this policy of the Labourites should court disaster by spurning the sources of its strength; it was made still worse by the short-sighted and highly pedantic positive policy it adopted—its crack-brained pursuit of Collectivism.

For Collectivism involves at every stage of its advance the repudiation of direct control for mediate control, of property for the vote.

There is no conceivable method by which a man can freely and effectively react upon and alter his environment unless he possess some irreducible right either over his surroundings or else over some other materials which he can exchange for such surroundings. Now such a right is the right of property; for this is what is meant by property. Consequently, a right of property is the most direct, continuous, and effective means by which a man can control both his own life and the circumstances that condition and determine it.

The right to vote on the contrary gives its holder no enforceable title to any specific action whatever, for he cannot make its non-effectiveness the basis of any legal claim. The most it can do is to entitle him to elect

some one to represent him in the control and management of some institution or concern. The vote once given, the voter has no further control over the representative, but must trust wholly to his knowledge, understanding, foresight, judgment, honesty, prudence, and to his possessing every quality which is requisite both for proper and wise management as well as for faithful stewardship.

It is therefore manifest that even supposing a vote without property to have any driving-force, the substitution of the vote for property is the substitution of the direct and only certain means of control for an indirect, distant, impersonal, and extremely faulty method of control—an occasional Yea or Nay at a dust-throwing election.

The adoption of the Collectivist policy had therefore this plain and necessary consequence, that while it left the economic position, the resources and consequently the power of the capitalists quite untouched, it at once undermined the power of the worker as against the capitalist, not only by refusing to add to his property reserve, but also by replacing such power of direct control as resulted from such property as he did possess by the worthless right to vote.

It is obvious, therefore, that no good has yet come of any political activity by the labouring classes; nor will good ever come unless that activity be directed towards precisely the same object as the economic agitation in the country. For only so will the leaders have any aim they can understand, any test they can apply, or any force to make their votes at least equivalent to a similar number



of votes on the other side. A quiescent Labour constituency can be adequately represented by a Liberal or a Conservative member, for such constituencies are content with anything ; but nobody but the most active and incorruptible Labour representative can adequately represent a fighting Labour constituency. He must possess a complete insensibility to any policy or attraction inconsistent with his real function. Economic agitation and political agitation should represent but two facets of one policy, which, itself plain and simple, must be directed to one great end—the strengthening of the economic resource of labour absolutely, and the elimination of dictatorial control.

It is not mere security which is needed, and in no circumstances whatever must it be forgotten that while the state remains a proletariat state, every conceivable escape which is an escape merely from the present insecurity must necessarily involve a strengthening of those very conditions which make such a state spiritually intolerable. These conditions destroy freedom and enthrone tyranny, and they find their most complete fulfilment and operation in the wage-system. And the wage-system, as we would again remind our reader, necessarily and at all times involves, first, the negation of the right of property in a man's work, and secondly, the negation of his right of control of his own activities.

From this examination of the actual nature of the policy that was adopted and followed with such disastrous results to the working classes, it is now possible to lay down the right principles of any action which aims at the



overthrow of the proletariat state and the establishment of such a distributive basis of property as alone can afford a foundation for the freedom of the individual, the restoration of true competition and the maintenance of justice.

If, as is true to-day and is true of every society whose framework is not that of a creed other than economic, or a religion, the political demands of the worker cannot exceed his economic demands, since both depend on the same resource; and if the economic demand cannot normally exceed the amount of that resource or property which alone can make it effective, it follows that every effort should have been directed towards simultaneously securing an increase of that reserve, and opposing every restriction of fact or of law upon its free disposition.

But this was not the test of the policy that has been pursued, for that policy, as we have seen, both advocated and supported measures which, while they lessened the existing resources of labour, restricted the right of disposal of such resources as remained. The final consequence of this was not seen.

It was that you cannot lessen a man's reserve of property to-day without lessening his power of bargaining and so causing a fall in wages.

Thus the real operation of modern reform, as supported by Labour, was to offer 'benefits' but no property, promises and gifts but no rights; with this result, that the right of the disposal of such gifts, as it must reside somewhere, and did not reside in the donees, remained in the donors. For the donees through their blind spokesmen had asked not for rights but for gifts.

Nor does the matter rest there. The very bestowal of such gifts actually destroyed, as it proceeded, the power of the donees to claim a free choice even in those matters where formerly a free choice was open to them. For with each gift wages fell ; and, gifts being still the order of the day, wages continue to fall.

As we have already pointed out but must point out again, the more complete the working of proletariat industry, the more do wages come to represent not the wages of demand but the wages of industrial efficiency. And this efficiency, though it varies in time, in place, and in trade, depends upon some minimum provision of food, shelter, training, rest, and so forth. An efficiency wage thus represents the cost price of such conditions of this kind of efficiency. When, therefore, by legislation or otherwise a worker is gratuitously provided with any of these requirements, his wage necessarily tends to fall by the amount represented by the cost of the gift. As a consequence, reform legislation which provides for free this and free that, on system, and not by way of temporary amelioration, leads not to an increase in wages, but to a fall. Some will urge that it really makes no difference in the long run because the cost will eventually come out of the employer's pocket, that what he does not pay in wages he will pay in taxes. But even if that were true there is this capital difference. When the worker had the money he was not *bound* to spend it solely on such necessities of efficiency ; he might for instance invest it in a strike fund. But where he gets not money but ' benefits ' he is left, if he does not accept the ' benefit,' with nothing. Thus this kind of reform restricts the

area of his choice, and transfers the direction of his activities and his mode of living from himself to an official. For all these gifts are not absolute but conditional. And the conditions when examined prove to be those which industrialists consider conduce to more efficient work in the factory: they are conditions of good behaviour; becoming conduct; temperance; perhaps vegetarianism; attention to work; avoidance of disturbances; respect for officials, and a proper reverence for the legitimate demands of wealth.

Such is the tendency of the reform which the mistaken policy of the Labour leaders has advocated. It will give a man anything but control; free food but not money to buy food; free baths but not money to pay for baths; free libraries but not money to support libraries; free medicine but not money to buy medicine; free doctors but not money to pay for a doctor; free everything but no money to buy anything.

Since so much is promised or given towards supplying a worker with all that, as a labourer, he can decently ask for; and since no provision was made to create any reserve of property by means of which he might be able to withhold his labour if his wage were reduced, wages are steadily falling. Mr. Orage calculates the rate of the fall at about one per cent per annum.

These are Pyrrhic victories.

If the reader still thinks that this view of the matter is false or exaggerated; that modern reform is at bottom reforming, and that its bad features are due rather to the enormous difficulties it has to contend with than to its

own defectiveness, let him consider, by way of sample, some of those measures which are claimed as the very embodiments of reform; and then let him consider whether the tendencies which we have asserted all such reform to display do not constitute the real essence and principle of them; and whether it is not because of those very tendencies that they were taken up with such enthusiasm by the political claqueurs of modern capitalism.

We shall consider two such examples, not because they are abnormal but because they are typical. They have the further advantage of being very familiar to most people.

Take first the Insurance Act.

The principle of that Act is that a certain section of the population known as workers shall be under a legal compulsion to pay a certain amount each week towards a fund to supply medical and other benefits; and that a certain other section of the population, namely those who are related to the persons so compelled as master to servant, shall also pay a certain sum for each person so related to him, and shall, further, be charged with the duty of collecting the contribution of such insured person by deducting it from his wages. To the total sum so contributed the Government will add about one-fourth in addition, raising this amount by extra taxation, and the whole, minus working expenses, is to be available on certain conditions as benefits. It is pointed out that the increase in the health of the workers so compelled to pay will conduce enormously to their efficiency as workers, and that the total cost will probably be defrayed out of that increase in the returns of industry which will result



from livelier and physically more efficient labour. Lastly, in order to secure that this scheme of insurance shall achieve what is thus hoped of it, the payment of benefits is fenced round with many elaborate conditions and safeguards. The total cost involved is estimated at some £25,000,000 per annum.

It is impossible to perceive what must be the full effect of this measure upon the proletariat workers unless we keep very clearly before our minds their true position and what it involves. At the risk of being tedious let us recall that the proletariat condition involves (1) that the worker should not possess property but only wages enough for immediate needs; (2) that the control of his activities should be vested in his masters; (3) that, consequently, any security he possesses should rest with their good pleasure. We have further pointed out that there can be no real reform which does not involve the abolition of all three conditions.

If this be assented to and borne in mind, it is plain that the Insurance Act will not benefit the worker, but must of its very framing strengthen those very elements which constitute the essence of his unfortunate position.

Now the Act neither increases the amount of wages to the worker nor leaves it as it was before, but makes a substantial subtraction from it. So that the worker's power of bargaining, low though it was already, is by that amount further depressed.

Secondly, the Act neither decreases the control of the master over the worker, nor leaves it where it was, but substantially increases it.

So that both in property and control the master is

more securely entrenched, and that to the more certain exclusion of the employee.

It is true there are benefits; but the benefits are all gauged by a man's status and are inseparable from it.

It is plain, therefore, that even on the face value of the Act the disadvantage is all with the worker. But on the real value he fares still worse.

Consider the cost. We have said the annual cost is some £25,000,000. On the face of it this cost, neglecting the amount raised by general taxation, is fairly evenly divided between master and worker. But does anyone imagine it will stay so? For wages, we have seen, are never or very rarely a matter of free bargaining.

What is there to stop the masters' share being ultimately shifted on to wages?

Nothing.

The worker will bear practically the whole cost. And this shifting will be particularly easy for big employers as against small employers, and so will give them a differential advantage over and above their present advantage. The Chancellor himself suggested this expedient. "It has been represented by some," he is reported to have said, "that the small employer will be hard hit by the contributions. You must remember that my scheme will not come into operation till March, 1912. The small employers will have therefore nearly a year from now to adapt their accounts to the new demands. They will have written off most of their old contracts and will be able to take this into consideration in making new contracts. They can, therefore, and quite rightly, hand over part of the burden." If the small

employer can do it, easier still will it be for the large employer. And the shifting will take the line of least resistance. It will come on to wages. Nor do the economists think otherwise. "Apparently there is no general complaint among employers at the prospect of their having to pay this toll ; but on the other hand no one should expect that they will permanently bear it." Thus wrote Mr. Wicksteed in the "Nation," and a similar conclusion was set down by Professor Pigou in the "Westminster Gazette" (20 July, 1911). The net result, therefore, of the Act in this particular will be that the resource which constitutes the worker's sole fighting power will be reduced by, in most cases, sevenpence a week. Who can be surprised, then, to hear that in Germany (to use Mr. Lloyd George's own words) "the employers began by opposing Bismarck's insurance scheme . . . but now they are completely and entirely in favour of insurance. In fact they are actually offering larger contributions in order to place the whole scheme on a sounder basis"?

That such a scheme in the name of reform should so thoroughly deplete the economic reserve of the individual worker is bad enough. But it wounds the Union even more grievously.

The Union is at present, as we have pointed out, the one effective means by which wages can be affected by bargaining. Further, such bargaining is inseparable from the possession by the Union of collective funds that can be freely used in bargaining.

Before the Act the Unions were autonomous bodies. They had a complete right to dispose of their funds as

they pleased. Consequently, when it came to some special strain in any industrial struggle, the Unions could fall back upon the full capital funds in their possession, whether such funds or any part of them were normally used for medical or death benefits or in any other fashion.

Now the Act, first of all, increases the amount which the employees must set aside for medical and unemployment benefits—for, as we have seen, they will ultimately pay their employer's share as well (that is in all, sevenpence for health insurance and fivepence for unemployment insurance); and, in the second place, of that amount neither the interest nor the capital will be usable for strikes, for the withholding of services—that is, for collective bargaining, which is the *raison d'être* of the Union's existence. Therefore to that extent does the Act by its monetary provisions lessen seriously both the actual fund at the Union's free disposal, as well as the fund from which all future contributions to the Union coffers must come, that is—the workman's wage. Further, the Act by its conditions penalises not only strikes but (independently of all contract) anyone who "voluntarily leaves his employment without just cause".

Thus it is clear that the two cardinal points of the Act are, first, its lessening of the worker's wage, which is his only resource; and secondly, its tremendous increase in the master's control over and grip on his men.

It only remains for some fresh legislation to control and regulate the spending of whatever other monies the worker may yet have left after providing for bare necessities, to leave him and his Union without any funds or



reserve at all which cannot be withdrawn by public officials at the discretion of those officials.

What, then, does the Act do?

It imposes a tax of, in most cases, sevenpence a week, and in some cases of one shilling a week, upon each worker, with the result that he will become incredibly more efficient. He will be more efficient in his labour; he will be able to work harder and more continuously. This will contribute greatly to "industrial progress" because of a great increase of output.

But again it is plain that though the worker is thus legally compelled to pay large sums towards increasing his efficiency, little or nothing will he get in return for it. For though this increased output will probably result in a large increase of gross profits, there is nothing in the Act nor in the change in the worker's economic condition which will secure the diversion of the least part of this increased profit to him. For normally, as we have insisted, he is paid an efficiency wage; and if he is now by law obliged to spend some part of it more wisely on doctors than on tobacco as he might—forgetting in his frailty his duty to his employer,—he is being made efficient out of his own pocket, and there is consequently no motive even of self-interest why the happy capitalist should repay him anything out of the increase in profits. Against his being in a better position to demand any of the increase by bargaining the Act has thoughtfully provided in two ways; one by direct raids on the funds of both men and Unions; two, by penalising strikes.

So that on all counts it is impossible to come to any

other conclusion than that the worker's position as a free man will be considerably worse than it was before.

Let us now consider, though more briefly, another example.

In the opening months of 1912 the miners, after giving their masters and all coal-consuming industries a clear six weeks' notice, went out on strike ; and they struck for a benefit which concerned one-third only of their number. As on most similar occasions, the strike was frowned upon by the political representatives of Labour, and it was through their bungling and vague promises that the men ultimately went back to work in return for legislation. This legislation was embodied in the Minimum Wage Act, and its operation up to date is an interesting example of the kind of reform which is the result of refusing to press an economic advantage but leaving the decision to an incompetent political party.

In the first place, the companies were enabled, by the extensive notice given of the intention to strike, to pile up large stores of coal, while industries which depend on coal did likewise. The result, of course, was that when the strike did come the companies were fully prepared, and many made exorbitant profits ; so that the strike paid the largest of them very handsomely, for no small advantage was taken of the carefully fostered coal-panic throughout the country. But even so, had the men held out (as they could have done) they would have secured a victory despite this initial disadvantage. As it was, they went back in return for a promise of political action.

A Minimum Wage Bill was introduced and passed into law.

Shortly after its operation became general the working of the Act was reviewed in the columns of the "Times" (8 June and 19 July, 1911). The demands of the men, it appears, have only been partially met. Even though the demands were fully met, it would advantage only one third of the men. The actual increase in the wages bill is variously reckoned, but it may be put down at about one to one and a half million pounds per annum.

The first result is, therefore, that the income of one-third of the men has been increased by over a million pounds a year.

Now apart altogether from the amount by which this gain must be discounted owing to the cost to the men of the strike, let us consider how the Act affects the relative positions of the miner and the mine-owner before and after the Act.

It is one of the prime conditions of the Act that no minimum benefits shall be payable unless the miner is in a position to earn that amount, and actually does so. To this end it sets up a whole code of rules which the mine-owner is legally entitled to enforce. The "Times" correspondent says that "the rules by their stringency give the owners a larger measure of control over the men than they have possessed for twenty-five years". So much is clear gain to the capitalist. He says further: "Such rules mark the end of the old system by which the collier did very much as he liked underground, and the beginning of a new system in which the coal-owner for the first time obtains effective statutory control over the services of his workmen, and is given definite power

to penalise inefficiency and negligence in the form of diminished wages ”.

If anyone should think that the “Times” correspondent has over-estimated the effect of such rules, let him read the following summary of them as it is given by the same correspondent :—

Aged and infirm workmen are excluded from the benefits of the Act . . . while workmen eligible for the minimum rates shall forfeit their claims to such rates unless they perform such an amount of work as shall at piece-rates be equivalent to the amount of the minimum wage ; or if they absent themselves without leave ; or refuse or neglect to work in accordance with the reasonable instructions of officials ; or fail to make reasonable use of the tools supplied them ; or cease to work before the customary time for finishing work ; or wilfully fail to work 80 per cent of the possible shifts in a week ; or after arriving at the colliery they are told their services are not required for the day ; or unless they carry out with regularity and efficiency the work which they have to perform ; or if they commit a breach of colliery rules ; or fail to attend more than one day out of any number of days available in any week ; or if work is knocked off at an earlier hour than that at which it would ordinarily terminate, they shall be entitled to the minimum rate only for such time as they have been actually at work.

We are now in a position to assess the net result of the Act.

The owners are put to an additional charge of, say, one and a half million a year. As against this they have certainly recouped such loss by the permanent rise in the price of coal ; they will probably make an additional gain not less than that amount by reason of the increased output of coal ; and lastly they are given a legal control over the men such as they have not had, says the “Times,” for twenty-five years.

On the other side of the account, one-third of the men secure an extra million and a half per annum, but subject



to such conditions as amount, as the reader can see, to the establishment of an extraordinarily severe inquisition and control over *all* the men, enforcible by legally-established penalties.

In the result, therefore, this political victory amounts to a considerable money gain to the owners, plus the advantage of a severe legal discipline; to the men a money gain to one-*third* of them in return for such a loss of free action to *all* of them, as can scarcely be distinguished from the condition of slave labour and the press-gang. For two-thirds of the men this loss of control and increase of economic pressure (the strengthening, that is, of the two main conditions of the wage-system) is for no increase in wages at all.

On the other hand, if the men had refused to return on the promise of such a measure, even if they had been beaten in the fight, their position at any rate would not have been worse than before. Had they gained, by standing out, even a small part of their demands, their status would have been left unaffected, and it would not have been at the cost of such a loss of prestige and the establishment of such a legal tyranny.

Enough has now been said about these two samples of legislation to demonstrate that, whatever be the principles and ideals in the light of which they appear as reforms, they are, by every test we can devise of freedom and manhood, convicted of perpetuating with every element of permanence the most intolerable and degrading conditions of the proletariat state. For these measures are wrongly apprehended if they are considered separately. The Insurance Act covers most of the proletariat

workers in England and affects their families as well; the Minimum Wage Act affects over a million miners. With these Acts couple other similar expedients—the Poor Law, Labour Exchanges and such-like, and then consider the general effect on the trend of national life, on the social framework. He must be insensible to all feelings of patriotism and honour who can contemplate such a degradation without feelings of resentment and of shame.

Before proceeding to the conclusion of this chapter there is one warning which may be inserted here by way of parenthesis.

It is a well-established observation that the existence and foundation of the capitalist system are defended not only by the men who belong to that very small class and by such hirelings of all degrees as they draft into their defence, but also by innumerable honest men of all ranks and stations who would spurn the methods which these men pursue did they know of them, but yet support the system because, seeing only a tithe of the evil, they not only conceive it as the inevitable form of modern industry, but think they see, in all attacks upon it, blows aimed at all order and security and destructive of their own position and property. They would, for example, regard the attack which this book makes as an attack aimed at them. But in truth such men are deceived. For just as modern capitalism has already in its growth absorbed the property and destroyed the fortunes of the great majority of the nation and reduced them to a proletariat

condition, so too will it go on, not satisfied yet, and destroy gradually the small and just-sufficient fortunes of men who are propertied to-day, and reduce them also to such a miserable condition ; for there is no limit to its gluttony save its own surfeit. Capitalism is at bottom so hostile to every natural form of defence against tyranny that it by instinct destroys all such defences as block its path lest it be checked by them. The men of small property to-day who regard their interests and their fortunes as coincident with those of these master-capitalists are thus allying themselves with their concealed enemy. It was not, for instance, regarded as of any moment that such a measure as the Insurance Act (which can have no other result but the strengthening of capitalism) should break down that last defence of the mere *employee*, the Unions, in order to secure its full effect ; but now when it is too late in the day it is discovered that it must also smash any other defence association or guild that stands in its way, for by the adoption of the most discreditable arms of capitalist warfare it now threatens a professional guild—the doctors' association. Who would have said ten years ago that the most honourable and one of the most powerful professions in the country could be thus brought to its knees, and its members reduced to obedient wage-earners, in order to further the plans of a far-seeing capitalist campaign ? And if 20,000 skilled professional men, conscious of the honour of their profession and the dignity of their calling, cannot with all their massed resources avert this blow, what in the days to come will be the position of the isolated and timid man of small property ?

The imminent collapse of the doctors' guild, with its corporate activity and its corporate discipline, is perhaps the most significant warning of recent times, because it is a warning to all men who think or thought that the capitalist system was their defence.

There is yet one matter which must not be passed over unnoticed, and with it we shall conclude this review of contemporary practice.

There are many who would agree with all that has been laid down so far and yet object that the picture given of the tendencies at work to-day is misleading. For they would say that no mention has been made of the great Counter Move—the advance of Collectivism; that this Counter Move is even now proceeding with great caution and under cover to the final rout of capitalism; that it has deliberately so proceeded lest through impetuosity or any unseasonable discovery of its aim it might give alarm to the enemy; that it bears a favour of all benignity and gentleness so that it may surround and entrap the unwary capitalist before he awakes to its real fierce nature; that it will then be too late, and the capitalist, having been seduced by tokens of affection and regard, will find himself thoroughly at the mercy of a superior strategy and swiftly disarmed.

Now though this objection would ignore the fact that we have incidentally touched upon the Collectivist policy, yet it must be allowed to have considerable weight if it can be shown that it really destroys the value of our conclusions. For there has certainly been a large measure of Collectivist experiment which has proceeded, according



to Professor Dicey, since about 1870, and still continues to-day.

If the trend and operation of the experiments in Collectivism be carefully considered, it will be found that it has been vitiated by its method. For the form of Collectivism is one thing; the substance of it quite another; and it is only when the two coincide, or at least do not diverge, that it can be said with any truth that we are advancing towards a Collectivist state at all. Now the general Collectivist aim is quite definite and avowed. It is to replace the private ownership of the means of production, distribution, and exchange by State-ownership of them. It is, therefore, a simple matter to devise a test by which it can be ascertained in any given instance whether the experiment is successful or not. It is plainly not enough that Whitehall or a municipality should take over any industry; it is also essential that along with such conversion of control there should go, *as part of the same transaction*, though not necessarily contemporaneously with it, an elimination, proportionate at least to the size of the industry, of private ownership of capital or of the proceeds of capital—that is, of interest.

If this test be observed it is evident that so far the Collectivist experiment in England has failed. For though it has taken over many industries, it has *not* succeeded in producing a corresponding and resultant disappearance of private capital. For it purchases the industries with State-guaranteed bonds which entitle the holder of them not only to interest indefinite but to the ultimate repayment of the principal. By this method there has been piled up a local debt which, it is said, now almost equals

the National Debt. So that at best the private capitalist is in no worse position than he was; in fact he is considerably advantaged, having now the security of public credit and a capital interest which is not wasting.

All this is freely acknowledged by the Collectivist. But, he will argue, the experiment is only half-way through. It is the final step that counts; and the final step, according to his prophecy, is to take the form of such a severe and graduated taxation on all public bonds that the interest on them will not suffice to meet the tax. The consequence will be that their capital value will vanish and with it the capitalist class.

This solution is too easy. It postpones all the difficulties till to-morrow and meantime mortgages the interests and property of the citizens to the redemption of an enormous debt. Who will believe that municipal loans of this kind would be looked upon with such favour by the capitalist investors if they thought there was the remotest possibility of such confiscatory taxation in the near or distant future?

But the cardinal objection is this. That the actual strengthening of the capitalist's money resources by the substitution of public credit for private credit, of public security for private insecurity, coupled with the simultaneous attack on the money resources of the ordinary voter, can have no other effect than that of increasing the political "pull" of the capitalist and reducing the counter "pull" of the elector and taxpayer for whose benefit the experiment was set afoot. And if to-day any measure of confiscation is not "practical politics" because of the present political influence of the capitalist classes, how

is it to become so to-morrow when that influence will be greater, just as it is greater to-day than twenty years ago? And further, it is just those very men who are promising such virile measures in the future who to-day cannot even see the ravages of an Insurance Act or Minimum Wage Act, or, if they can see, slink from opposing them.

The great Counter Move has failed save in this : that it is transferring to the State all the burden and charge of industry while it guarantees to the owners a limitless right to receive profits.

In feudal England it was a common thing for the lord of any large estate to delegate his powers and rights over parts of it to inferior lords in return for rent and services. This process was called subinfeudation. To-day in modern Collectivism we have the counterpart of this—the subinfeudation of industry by the capitalist. For does not the State, in return for services to its lord, take over the properties of the capitalist and steward-like manage them for him?

We are in fee.

J. E. F. M.

## CHAPTER III.<sup>1</sup>

### DEMOCRACY AND CURRENT THEORY.

It was shown in the first chapter how England was turned aside into a wrong path, how a definite recorded process of dispossession, not inevitable and sometimes deliberate, has separated production from personality and producers from citizenship. Where England stands to-day, as a result of that process, has been shown in an account of contemporary practice.

The members of the Rota Club, and we who represent them in writing this book, believe that the process was evil, that it still goes forward, and that it menaces now the very self and vitality of England. They believe that another order might have been, and that even now, if Englishmen determine, it can be. Desiring, therefore, to rouse the wills of any that neither forget their country nor despair of it, they make their first endeavour in these essays to set free or to concentrate such a driving-power of opinion as can issue soon in definite conviction and effort. They recognise that if they are not to fail in this they must go out armed, as best they may be, to fight for a creed round every corner of theory. Some critics might urge that they will find their worst enemies not in the form of definitely rival doctrine, but in vague prejudice, in subtle

<sup>1</sup> This chapter is analysed in Appendix C.



differences of caste or of spiritual atmosphere, in the characteristic English mistrust of definite outline. Even, however, if it be admitted that there may be some truth in these charges against English intellectual character, the weakness they imply would be found involved at root—if indeed it strike so deep—in an equally characteristic strength. The mistrust would be found one not so much of plain thinking itself as of dialectics not adequate to plain human facts. When it is reflected how often the Englishman has no real choice save that between some theory remote from anything that might be loved and some business proposal not ostensibly concerned (whether for good or evil) with morals or the human spirit, it cannot very long be wondered why as a rule he plays for apparent safety, and bows himself, not without regret, beneath the schemes of the expert or the efficient man.

The writers of this book believe that the civic creed whose outline it endeavours to mark is more compelling to the intellect than any other, both through its fitness for the human spirit, and also through the strength of its basis in historical record, in economic fact, and in the roots of politics and morals. They are convinced, therefore, that since it is from tenuous dialectic that the normal Englishman will turn away rather than from theory itself, a brief consideration of rival creeds will be neither harmful to their own propaganda nor even superfluous. The main object, then, of this chapter will be to consider as plainly as possible those theories of civics which, though not often known for what they are to those who apparently entertain them, are still, in obscurer ways which make them more

dangerously effective, strong enough in England to-day to make them important for the propagandist.

If one reads through a political column in a contemporary newspaper, it gives one thought to notice how few current political terms carry in themselves any definite meaning. Take such words as occur most often—"Liberal," "Conservative," "Unionist". Now it may be contended that a reading of political history will show that men called, for instance, "Conservative," have been standing, as a matter of recorded fact, for some definite political or economic principle. But such a principle, if it does exist in the minds of men called "Conservative," is not contained in the meaning of their name as it stands. The Conservative may no doubt claim to conserve what is good, the Liberal to free men from what is evil, the Unionist to join men for a common end. But so far the three principles are nothing but complementary and compatible, and the citizen has to read history in order to find out where exactly the principles of these claimants did in practice clash, or what particular things important men of either name believed worthy of being conserved, or abolished, or promoted. He will find, for instance, that the Unionist, so far as he did stand for something more particular than a belief in union for common ends, was in fact a Liberal who did not agree with certain other Liberals that a particular sort of self-government ought to be given to a particular body of people at a particular time. But such a fact as it stands implies no principle from which the Unionist may deduce why and when men ought to unite, none

from which he may deduce what type of industrial government ought to prevail in England now.

From names like these the citizen will turn in despair to seek that of some fairly definite thing which all parties profess to think good. If he is reading a newspaper he may find such a thing under the name "Democracy"—which seems to mean as it stands "The rule of the common people". He will notice that all parties base their claim to support on the soundness of their Democracy: he will also notice that in practice the will of the common people is not done. From these two facts he will be bound to infer either that Democracy must mean something different, or else that the claims of all parties must be questioned.

Having reflected thus far he will examine more closely, we shall hope, the first elements of politics and morals—in order to discover if possible what precisely are the real implications of "Democracy," whether it is good or evil, and how it can be farthest promoted if it is good, or most readily abandoned if it is evil.<sup>1</sup>

<sup>1</sup> The logical necessity of those conclusions on which the creed of this book rests can be completely proved only through argument from fundamentals. Many readers, however, otherwise open to conversion, may possibly find their patience over-taxed by all such argument, and probably by this particular argument. In order, therefore, that nothing of the goodwill and attention of any such be avoidably lost, the more obviously fundamental part of the argument has been relegated to an Appendix. Although thus removed from the body of the book it is in strictness necessary to the proper sequence of the whole argument, and it is therefore hoped that if any reader, not having read it at this stage, should slip, at any further stage of the argument, into a doubt mainly philosophic, he will then read it almost as if it had taken the place of this footnote. (Appendix A.)



One of the more important facts among those that the inquirer may first recognise, a fact that should be all but self-evident, is that the actual experiencing done by one mind or spirit is not the actual experiencing done by another, and that therefore it cannot depend as a whole on the *direct* causing or determining of that other. Therefore it is not that good which is or may come to be "in" his fellow that the citizen should try to promote *directly*, but the conditions of that good.

For his friends that he knows well he may be able, as a private man, to promote the good "in" them far less indirectly, and very much farther (with a similar expenditure of energy) than he would be able to promote the good "in" those that he knows hardly or not at all. Those, on the other hand, who may be affected by the end at which he aims in a public capacity will almost all be persons that he does not know well.

(Let us agree to mean by the word "State" in the present context that body or bodies in a community by which laws are passed and executed.)

The acts of a body of men (if such acts there can in strictness be) are either the sum or else the result of the acts of its members as such. The members of such a body or such bodies in this country are separate persons each aiming, as member, at ends which apply to the whole community, that is to say, to human beings almost all of whom he knows hardly or not at all.

It follows, therefore, that the normal function of the English State ought to be at most not more than the maintenance of that part of the more external conditions of the best possible life which no other effective unit can



maintain with equal public profit. More than this it ought not normally to attempt.

The next question which naturally occurs is "What citizens in particular ought to make the laws?" Ought the community to be governed by one man? if so, which one? By a few? if so, which few? Or ought it to be governed by all? and if so, how? and in what precise sense? We find ourselves involved at once in the apparently eternal controversies which turn about such words as Monarchy, Aristocracy, Democracy, Theocracy, Plutocracy, Oligarchy, Ochlocracy, Timocracy, Bureaucracy, and so forth.

Let us see how some of these controversies express themselves in our own day.

Looking at contemporary practice we see in our own country that one particular man is called the King, that the act of passing laws is done by a few men, and that of these few almost all say that they are the true Democrats. We also find it difficult not to suspect that the will of the common people is not done.

Examining current theory we notice such terms and phrases as "the will of the people," "freedom to choose representatives," "government by the best," "government by experts," "specialists in the art of government" and so on.

Let us begin by distinguishing the main aspects of law-making. First of all, there is the disposition of things which it is the purpose of the law-makers to bring about; secondly, there is the expression of this purpose in an actual bill or detailed proposal; thirdly, there is

the execution of this purpose in the administering of the law by the executive officers of the community.

Take the last aspect first. What particular citizens ought to be the executive officers? Obviously those who can execute or administer the law so as best to achieve its purpose. So far as they are executive officers only they ought not to determine the purpose itself; though the policeman may rightly, in his non-executive capacity, criticise the purpose of the law he has been executing, or vote against those who made it. In his executive capacity he ought to be, in comparison with the average citizen, a man of exceptional or distinctive abilities or experience—in short, a specialist or expert.

Again, what citizens in particular ought to undertake the expressing of the purpose in a bill? Obviously those who can do that best—specialists and experts in those special and particular sorts of knowledge which the details of the bill demand. So far as they are public servants their office is to express the purpose of the law-makers, and they ought not, therefore, to determine the purpose itself.

Let us ask lastly what particular citizens ought to determine the purpose of a law—to determine, that is, what disposition of things ought to be brought about in a community when, as is the case with England, it consists of persons almost all of whom would not be well known to the members of any body of men few enough to deliberate together effectively in a council-chamber.

It ought to be recognised quite clearly at the outset what it is that the law-maker is required to do. The normal function of the State, we discovered, is to

maintain that part of the more external conditions of the best possible life which no other effective unit can maintain with equal public profit. The law-maker ought therefore to be that sovereign power (whether one man or more than one) whose knowledge includes the best employable insight both into what persons ought to be and also into what they are. In other words, the knowledge of the law-maker ought to be the best employable knowledge of human good and of human nature.

Where is this sort of knowledge to be found?

The believer in Absolute Monarchy holds that it is to be found in some one man. Such a belief does not bulk very large in current theory, nor do most supporters of our own limited monarchy contend that one man ought to determine the ends of national life. And it is worth while remembering that the ancient king was very often an expressor of national purpose, or even an executive officer. Very often a tribe desired victory over its enemies (deeming it, perhaps, a condition of the best possible life), and one particular man was best able to achieve it. It was only so far as a tribe did not distinctly desire victory that the king who won it was determining by himself the ends of the State's action.

Believers in Aristocracy would contend that the required knowledge is to be found in some few—that is to say, that the best employable insight into human good and human nature resides in some ostensible minority, which ought therefore to determine the ends of the State's action independently of the judgment of the other members of the community.

Against this the Democrat believes at the least that

on any civic question involving that of the goodness of an end the deliberate judgment of a determining majority of the citizens is 'as a rule better than the like judgment of any other ostensible body in the community. He therefore desires the directest possible action of this judgment on the determination of the purposes to be expressed in laws. He would contend against Aristocracy: First, that human beings are not so made that the best employable insight both into their nature and into the good of which they are capable can reside in any body of possible law-makers other than a determining majority of the community; secondly, that even if it could so reside such a body is not ostensible; thirdly, that even if it were ostensible to the student it could not get laws passed and executed except so far as it were permitted by a determining majority.

It is at this point, perhaps, that it ought to be noticed that in England to-day the law-passers are not the same body of people as the law-makers. Those who make a law include all those whose action and influence determine the action of the law-passers in voting on it, but those who actually do vote on it constitute, owing to the area and population of the modern nation-state, a very small fraction of the community. It is not within the scope of this chapter to ask whether in a city-state such as Periclean Athens the normal function of the State might safely differ from that which we discovered it ought to be in this country to-day, but so long as a whole nation cannot meet in the market-place to discuss and vote on laws, it must at some point express its corporate will through some machinery of representation. It is therefore the



modern nation-state, and England in particular, that will be now considered.

Returning to the first objection of the Democrat we can rest assured that it certainly does not amount to a contention that any judgment of any majority in any community must necessarily be right. Political sovereignty may rightly repose in a power that is not only fallible, but even capable of deliberate evil. Obviously it must so repose if human beings are to exercise it at all.

We may now leave this first objection for a moment, since although it is one that must compel the assent of any responsible inquirer who will reflect deeply and candidly on his own nature and on that of his fellows, the Aristocratic theory may more briefly be refuted by the second and third objections of the Democrat. Those are: that even if there were such a body it is not ostensible, and that even if it were ostensible to the student it could not get laws passed and executed except so far as it were permitted by a determining majority of the community.

To the latter of these two objections the Aristocrat might reply: First, that if there did exist such an ostensible body it would be justified in using force (for instance, the help of foreign mercenaries) to make its judgments effective on the conduct of the State; secondly, that we do find in our country to-day that a few men can get passed and executed laws which do not express the purpose of a determining majority, that these few may not be the best few, but that if the best few could be pointed out, they too could so dictate the ends at which the State should aim,

The Democrat would rejoin: First, that to the fulfilment of any purpose which involves the good "in" others, the accord of their feeling and the assent of their will are so necessary that even such laws or institutions as would otherwise succeed must fail, in the absence of such an acquiescent temper in the governed, to promote for their best possible life even that part of its conditions whose maintenance is the normal function of the State. Secondly, that the government of such a coercing body could not be stable.

Also, thirdly, that even in our own country to-day the few who determine the ends of the State do find it necessary to claim that they are governing "by consent". Even, therefore, if these few were the best few, as the Aristocrat desires, they could only get laws passed and executed so far as they could persuade a determining majority so to allow them. But in strictness a government is Aristocratic only so far as it prescribes the ends of the State's conduct independently of the judgment and will of a determining majority. This, without using force, no few could completely or permanently do—though the behaviour of our modern Parliament does show, it may be admitted, how far a few, not the best, may take advantage of a nation's lethargy.

Turning to the second original objection of the Democrat (that no minority is ostensible which possesses the proper insight to fit it for determining by itself the ends of national conduct) the Aristocrat might urge that there have lived men in the past whom peoples have called in as dictators, and kings or oligarchies on whom nations have relied to express the national will.

The Democrat rejoins again that it was the people who did call in the dictator, and that it was the national will that they wanted expressed, not that of one man or a few independently of it.

Since the Aristocratic theory is thus provably unsound, let us return to the creed of the Democrat. He believes that on any civic question involving that of the goodness of an end the deliberate judgment of a determining majority of the citizens is as a rule better than the like judgment of any other ostensible body in the community. He therefore desires the directest possible action of this judgment on the determination of the purposes to be expressed in laws.

This creed as it stands is, of course, only the very minimum basis of the democratic faith. Some Democrats believe in "the Divine right of the people to govern wrong if they please," for just as free-will, they contend, is granted by God even to agents who may abuse it, so the mere fact that a people may act wrongly is no ground for their being prevented from determining their own life. To discuss this might involve the question whether freedom is a means or an end, and it will be enough to say here that although some Democrats may feel that the suggested minimum understates their conviction, it is certain that no man is a Democrat who does not accept as much.

Let us go on then to consider this creed, to ask how it ought to express itself in contemporary England, and how far current theory is adequate to the truths which Democracy implies.

First of all let us notice the word "determining". Corporate initiative or assent is seldom expressed in the judgment of a bare majority, and whatever judgment is to be accepted as the fairest possible equivalent to the general will of the whole must therefore belong to such a proportion of the community that it constitutes the general civic sense of a whole people, the corporate atmosphere and genius of a nation.

It was suggested at the outset of this inquiry that the word "Democracy" was exceptional among current political terms, since it did have as it stood a fairly definite meaning—"the rule of the common people".

What, then, is meant by the term "the common people"? Does it mean those people whose attributes are of a sort common to all or most people, as distinct from those whose attributes are of a sort common to none or few? But "in"<sup>1</sup> no one person are exhibited exactly the same qualities as are exhibited "in" another; neither "in" any one person is any one quality exactly so exhibited as it is "in" another. On the other hand, there is no person but has some quality exhibited "in" him that is exhibited also "in" all or most of his fellows. In other words, "the common people" cannot mean simply "those people who are not exceptional," for every one is exceptional in something, just as he is ordinary in others. All men are alike to a certain extent; for if they were not neither could they be all rightly called "men," nor could they unite in society to promote a common end.

Particular goods, so far as they are "in" separate persons, are themselves at least so far separate one from

<sup>1</sup> The word "in" is deliberately guarded in such contexts as this, for it is in strictness a metaphor from spatial position,



another. Neither is any one of them exactly *like* any other. Each can come to be only on certain conditions. So far as the good that can come to be "in" one person is like the good that can come to be "in" another, just so far will the conditions of the one good be like the conditions of the other.

Now some of these conditions can be provided through laws and institutions, and, just so far as these separate goods (one "in" one person, the other "in" the other) are alike, so far can the same one law or institution provide the conditions of them both. One "external" thing can provide the necessary conditions of more than one "internal" thing.

Therefore it is by the existence and maintenance of such external things that the common end is constituted which men in their public capacity ought to promote directly.

Now if one person is to promote the good which can come to be "in" another it is necessary, we discovered, that he should understand both what that other ought to be and also what he is. This is necessary even if he is to promote that good indirectly (by directly promoting the conditions of it), for only so far as a man understands the nature of a thing will he be as a rule able to know what are the necessary conditions of its coming to be. The understanding of what a man ought to be necessarily implies that of what he is, since "ought" implies "can". No man can understand what another ought to be except so far as he understands what he can be, and for that he must understand his nature. And if one person is thus to understand another he must not

only be aware intellectually of certain external or verbally ostensible facts about his fellow, but must also in some sense recreate for himself what it is that the other actually feels. Separate persons can *thus* understand one another only so far as they are alike. It follows that they can promote a common end only so far as they are alike. Now society involves there being laws which bind all citizens alike. But it is as a means to a common end that these laws ought to be made. Therefore it is only so far as men are alike that they ought to constrain one another by laws.

We discovered that "the common people" cannot mean simply "people who are not exceptional," and that although people are not exactly alike or "common" they are so to a certain extent. To that extent, then, they may rightly constrain one another by laws. So that the root implication of "the rule of the common people" is that people should make laws for one another only so far as they are alike or common. And that truth coincides with our conclusion as to the best form of government.

Intimately bound up with this demonstrable truth is the conviction that what is common to all men is, in the words of a living Democrat, "not only *more* important but *infinitely more* important than the accidents by which men differ". If this is not so "then," he goes on, "no scheme of jurisprudence, no act of justice, no movement of human indignation, no exaltation of fellowship, has any meaning".

It has been concluded, then, that the purposes to be expressed in laws ought to be prescribed by the deliber-

ate judgment of a determining majority of the citizens. Let us consider next how the truth of this conclusion ought to find expression in England to-day.

Consider the citizen first in his public capacity as law-maker. We noticed in passing that the general will has in this country to get itself expressed through representative machinery. That is to say, the makers of our laws have to act through a few men who discuss and vote on particular laws on behalf of the makers. The makers themselves, as has been said, include all those whose actions or influence determine the law-passers whether or not to pass any bill that comes before them.

How then ought the English citizen to act in his law-making capacity?

First, as a voter for those who actually pass or reject particular bills.

We shall find it follow necessarily from the principles above laid down that just so far as an elector believes that a candidate understands that good which is common to the elector and his fellows better than the elector himself understands it, so far, and no farther, would he be right in authorising this other to determine by himself the purpose to be expressed in laws. So far as he believes the candidate not to understand this good better than does he himself, he ought not to support him at an election except so far as he can be certain that he would vote in Parliament not for what he (the candidate) may think best, nor for what he may think this elector ought to desire or really wants, but for what the elector himself does in fact give himself out to desire.

Secondly, as a law-passer, that is to say, a representative of a particular body of law-makers, of a specimen piece of the general will.

It follows that he ought to determine by himself the purpose to be expressed in laws just so far as, and no farther than he has been or would be authorised so to do by those law-makers whom he represents. Otherwise he ought to vote in Parliament for what these, or a determining majority of them, actually give themselves out to desire.

Thirdly, as debater and counsellor—whether in Parliament or elsewhere.

He ought to counsel to the best of his knowledge and power, to speak the truth, nothing but the truth, and, so far as time permits, the whole truth. He may find himself speaking as counsellor against that for which as representative he votes, or he may even on occasion denounce his electorate as knaves or fools. If such discrepancies occur very often, it should rest with his own conscience, and with the common sense of his electorate, whether he will continue to represent them.

Fourthly, as committee-man, his endeavour ought to be to express and fulfil a predetermined purpose, not to determine that purpose himself.

If an inquirer has followed so far the reasoning of this chapter, he cannot doubt that this is what ought to be done in England. Turning from that to what is done he will see that England is not a Democracy, that those who profess Democracy either do not understand what it means or do not so care for it as to strive for its being effective. Let him examine, for example, the theory



even of the leader of the Labour Party, Mr. Ramsay MacDonald, in his book 'Socialism and Government'.

"It is," he says, "the task of the statesman who knows how far expressed desire is not real desire, who understands how he is to speak for what is in the heart but not on the lips of the people, and who, without mandates, and even against mandates, does what the people really want."

This, of course, is not Democracy, though it may be a passable counsel of despair. But even if Mr. MacDonald despairs of Democracy, he must recognise how infinitely dangerous this theory is. It would have no argument against the worst of tyrants, for it permits anyone who happens to get power to claim that whatever he chooses to do is just what the people really want, if they only knew it.

It is not within the scope of this chapter to examine the details of our existing oligarchy or to outline political reforms. But the fact that an oligarchy exists to-day under the forms of that Democracy whose triumph the political text-books acclaim, shows that political power is not real without economic resource.

Let us examine those current theories which seem to admit this, and ask how far the practice of their own theory would make Democracy real.

Let us take first the theory of the Fabian Society.

"It works" (I quote from its "Basis") "for the extinction of private property in land and of the consequent

individual appropriation, in the form of rent, of the price paid for permission to use the earth, as well as for the advantages of superior soils and sites. The Society, further, works for the transfer to the community of such industrial capital as can conveniently be managed socially.”)

Collectivists in England have made so many reservations from the old formula of ‘The nationalisation of the means of production, distribution, and exchange’ that one has to divide even Fabian theory into three main parts or stages. First, that of ‘Fabian Essays,’ and of such volumes in the ‘Fabian Socialist Series’ as ‘Socialism and Individualism,’ ‘The Basis and Policy of Socialism,’ and ‘The Common Sense of Municipal Trading’. Second, that of the ‘Minority Report of the 1909 Poor Law Commission’. Third, that of the younger Fabians and that of Mr. Shaw so far as he is young.

Let us take the first, to which Mr. Hubert Bland in a recent lecture invited Fabians to return. His own words (on p. 214 of ‘Fabian Essays’) will do as well as any for a starting-point.

“We shall be able to say we have a Socialist State on the day on which no man or group of men holds, over the means of production, property rights by which the labour of the producer can be subjected to exploitation.”)

Now “exploitation” means in strictness “use for one’s own profit”. In that strict sense it would not necessarily be evil, since the profit of one man is not necessarily inconsistent either with the greatest good of all men on the whole or even with the like profit of that particular man whose services are used. Therefore,

when Mr. Bland speaks of exploitation as a thing repugnant to Collectivists he must be referring to those cases in which one man, who uses the services of another for his own profit, does not pay for them according to their full "value". And Mr. Bland, a professing Democrat, cannot mean by "value" simply "power in exchange," for it is certain that the power a man's services may have in exchange does not necessarily guarantee his being possessed of that amount of economic resource without which his political power is unreal. The highest bid for them may be but 10s. a week. Therefore, Mr. Bland must mean by "value" "power of promoting good".

He might go on to explain that a man's services are "exploited" when he is forced to sell them for less than a proper reward because, for instance, his family will starve unless he accepts the purchaser's terms within a week; that the collective bargaining of Trade Unions may reduce to some extent the vast inequality between the resources of different bargainers in England to-day. "But" (he might conclude) "Trade Unions are not enough, therefore Collectivism is necessary."

We should then have to ask him why Collectivism would adequately reduce this inequality, and what guarantee he could offer us that the State itself will not "exploit," that the State (which would be the chief service-purchaser) would pay an average man for his services in accordance with their power of promoting good.

The Fabian reply to such questions as these we shall consider farther on, but at least one important fact has emerged. It is that men will as a rule be equal in bargaining so far as they are equal in resources.

Only so far as the average citizen is possessed of resources will he be not forced to accept terms offered him, whether by Whitehall, by the L.C.C., by the Silversmiths' Guild, or by Pierpont Morgan. Just so far as a loss or a reduction in wages makes it impossible for him or his family to live, or to live properly, so far will he be compelled to accept the terms of some service-purchaser. (Collectivism, therefore, will not exclude exploitation except so far as Collectivism involves such a disposition of things that all buyers and sellers of services can bargain on equal terms. But there is no reason why this should necessarily be far enough involved by mere State-ownership of the means of production, or why ownership by units other than the State should necessarily exclude it.

Now Fabians do not generally contend, as Fabians, that Fabian Collectivism involves a man's possessing the same amount of economic power whether he works or not. It is true that some Fabians look forward to a disposition of things in which men would "receive according to their needs and give according to their capacities," but it would be safer to say that so far as a Fabian stands as that and not as something else besides, his Collectivism involves (if we exclude his proposals for invalids, lunatics, and children) payment according to services. Therefore it does not involve a man's being paid, whether he works or not, either the same wage or even one adequate to his needs. If, therefore, not working involves his not being paid an adequate wage, it plainly depends on his resources how far, or for how long, he can decline the State's terms. Now, if the Fabian says "The citizen ought to be able to decline



the State's terms," he cannot avoid the conclusion "The citizen ought to have resources". If, on the other hand, he says "The citizen will not need to be able to decline the State's terms" we are bound to ask him for a guarantee that the State's terms will be the most just possible.

When the Fabian speaks of "State-ownership" it is not always certain what he means. Mr. Webb, in his essay 'The Difficulties of Individualism,' speaks of "the appropriate governing unit". But that term is far too vague, unless we define precisely what we mean by governing, or what precise degree of government we imply. As it stands, the term might include the Rugby Union or the Jockey Club. But when Fabians speak of State-ownership they do generally include ownership by local bodies, such as a town council, so that if we are to distinguish properly the main types of industrial government, we shall be safer if we avoid the word "State". Let us distinguish, then: First, government by Whitehall; secondly, by local bodies; thirdly, by private individuals; fourthly, by voluntary associations. In some remote sense, no doubt, a nation may be called a voluntary association, and there may be intermediate or exceptional kinds of ownership or government which are not explicitly reckoned with in this division, but these four main classes are definite enough for us to consider what proportion of the different types is implied by current theory to be the right one.

Since, therefore, the Fabian has made so many reservations from the old formula of "the nationalisation of the means of production, distribution, and exchange," the

question we have to ask him is not whether Fabian Collectivism involves the government of *some* services by Whitehall and by local bodies (for very few would repudiate that) but what proportion of the other types of government it would like to permit.

Mr. Fred Henderson, in his pamphlet 'Socialism and Liberty,' argues very justly that so far as one man controls the means by which his fellow lives, he controls also his fellow's life. But he proceeds to argue less justly that liberty will be possible only if the whole people own the means of production.

{ Ownership by the whole people means in Collectivist practice that land and industrial capital are vested in Whitehall or in local bodies, which pay wages and salaries to their employees. So we shall have to ask first what calculable guarantee there is that the terms of these service-purchasers would on the whole be the most just possible.

Now when Whitehall or a local body buys services the terms on which it buys them may be fixed either by law or by bargaining between buyer and seller.

Suppose they are fixed by law. If the governing unit is an effective democracy, the terms are being decided according to the judgment of a determining majority of the citizens, whether of a town or of a whole nation. Now Democracy cannot be real, as we have seen, unless political power is backed by economic resource. But even if the governing unit were politically democratic, the fixing of terms by law means that the only control the average individual citizen can exercise over the terms he is forced to accept is his vote at some political election. To this objection we will return.

Suppose that terms are fixed by bargaining. We have seen that only so far as resources are equal is there any calculable guarantee that terms will be as just as possible. I can bargain as a rule on equal terms with another man if I can withhold my commodity just as effectively as he can withhold my price. I may say to him, "If you don't give me my price, I shall either cease to offer this commodity at all, or, if I decide to do so still, I shall offer it to some one else who will give me my price. In either case you wouldn't get it, so if you want it you must pay my price." The other man may reply: "If you won't sell it at my price, I will either do without that particular commodity or else I will offer my price to some one else who will sell me that commodity."

This would be fair so far as our resources were equal. But if a citizen cannot withhold his services because his family will starve, or cannot offer them to another purchaser because no such purchaser exists, bargaining between him and Whitehall or the local bodies will not as a rule be as just as possible except so far as their need of the exchange is no less urgent than his; and, if it is to be that, they must be quite unable to do without these services, or quite unable to get like services from anyone else.

For them to feel so urgent a need as that would obviously not be the rule. It follows, therefore, that if the services of the average citizen are not to be exploited by the property rights vested in Whitehall or the local bodies (and that, according to Mr. Bland, would be repugnant to Collectivists), the citizen must have the proper resources. That is to say, he must be able to withhold



his services from one purchasing unit and offer them to another. If he is to be able to withhold his services he must not depend wholly on future wages; if he is to be able to offer them to another purchaser there must exist service-purchasing units other than Whitehall and the local bodies.

It may be objected here that in Whitehall and the local bodies he does find these different service-purchasers.

But Whitehall will not compete with local bodies except so far as it desires to purchase the same services, or the services of the same man. Very few men find this sort of competition for their services: the average citizen would obviously not be one of these few. There might possibly be more cases of different local bodies bidding against one another for the services of a particular man, but even this would obviously not be the rule.

Moreover, different purchasers may agree with one another not to offer more than a certain price, and the only man who has any immediate interest in their offering more is the seller. It is only, therefore, so far as the citizen can prevent Whitehall and the local body from agreeing not to offer more than a certain price that there will be any calculable guarantee of that price being the most just possible. Now Collectivists insist with special emphasis on those advantages of correlation and integration in industry which they see to have caused the commercial triumph of the large-scale organisation. These advantages, they contend, are precisely what State-ownership would secure in the highest possible degree. But even if we refrain from refuting them at once by this argument from their own mouths, even if we suppose



this degree of integration to be less high than Collectivists insist that it would certainly be, even so it is clearly in the nature of things impossible that Whitehall and local bodies could attain even the lowest minimum of correlation necessary for the efficient government of almost the whole industry of the country, except so far as the basis of their activities were common; and, so far as it were common, they would obviously not be likely to compete one against the other and publicly for the services of an average man.

It follows inevitably from this that the average citizen must have resources other than his current wages. If the Collectivists' phrase "wage-slavery" means anything at all it applies to the wage-system itself and not only to wages paid not by a public body.

Now there are two main reasons why the citizen may desire to withhold his services: he may desire a rest, or he may desire juster terms. Few would maintain that either of these desires is necessarily unreasonable.

What then ought the nature of these resources to be?

The Fabian might maintain that citizens ought to save from wages until their resources were adequate.

But even if thrift were always a right thing, and even if the average citizen were thrifty enough, to save from wages he must first get them, and to get them he must first accept the terms of the service-purchaser, which may be unjust. No one could pretend that two parties will bargain from equal resources if one is compelled to accept the other's terms before he can get any resources at all.

Therefore the average citizen must have resources other

lay in reconcentrating that power. For even though the vote without property in the means of production is not enough, with neither the average man might find himself even worse off than he now is with the one. If a few had the vote and used it, they too, no doubt, could be stripped of all real political power. But that fact is no guarantee that this real power would be transferred to the whole people. At least so far, then, as political elections of any kind do not make Democracy effective, the Democrat will strive to keep out of the hands of elected persons those resources which, as he hopes, are to provide for the average citizen that economic power without which his vote is inadequate. The average citizen cannot as a rule control elected persons except so far as he owns, independently of their conditioning, property in the means of production. But it is into the hands of just such elected persons that Mr. Webb invites us to put just such economic power.

The Democrat desires, as we saw, the directest possible action on the conduct of the State of the deliberate judgment of a determining majority of the citizens.

Now it may be true that for the making of laws binding on a whole nation whose citizens number millions this directest possible action will be that of voting for a representative at a Parliamentary election. The same may be true of a local governing unit which passes laws binding on certain citizens in virtue of their dwelling in a certain area. But, even apart from the vital fact that political power follows economic resource, it cannot be proved that this directest possible action is to be attained in the sphere of production too through such voting at

Parliamentary or Municipal elections. It cannot be proved that Industrial Democracy necessarily involves the vesting of most of the means of production in Whitehall and local bodies.

Let us consider the average citizen as voter in the Fabian state.

In voting (let us say once in five years) for one member of Parliament he is exercising, let us suppose, some remote influence on the general welfare of his country. This influence will indeed be very remote. But remoter still will be the influence of his vote on the conduct of those means of production which are vested in Whitehall. Remoter even than this its influence on that particular section of industry in which he personally is employed, and on whose just conduct he therefore depends most intimately. Let it be admitted that his municipal vote may have some influence less remote than this—but it must be remembered that even there this influence will be no less remote except so far as Whitehall does not control the municipality, so far as there is competition for his services, and so far as he can withhold them from one producer and offer them to another.

Now it is clearly no farther than his one vote controls Whitehall and than his individual efforts control the fortunes not only of the whole of his own country, but of other countries besides, no farther than this that any one average citizen will control Consols. The same applies in a less degree to shares in a municipal body. Fabians, dreaming of the rates and taxes, speak of the average man as "citizen-shareholder" in his town or his nation, but it ought to be plain that the shares they speak of do



not constitute the kind of resource which could put the average man on an equality as bargainer with those very elected persons who determine most directly the fortunes of these very shares.

The Fabian might urge that it would be possible for the citizen to own municipal shares other than the rates he is compelled to pay.

Many of the arguments which used to be urged against the practicability of Collectivism might be summed up in the proverb "Everybody's business is nobody's business". Whatever grounds the Fabian Collectivist might have for denying the truth of this, he would at any rate admit that if the contentions in this chapter are just, these shares, which, as an obvious alternative to land, are to constitute one type of the resources necessary to the citizen, must be in a producing body of such a kind that the personal efforts and the particular vote of the citizen will determine as directly, as continuously, and as closely as possible the fortunes of that particular producing body, and the value of the shares in it so far as this value is determined by those particular fortunes.

Now Whitehall, in the vision of the Fabian, is to do more and more—so are town councils, and it is clear that the more they do the less directly, the less continuously, and the less closely will the vote and efforts of any one particular average man determine the value of those shares of which the Fabian sings.

/ It is the belief of the members of the Rota Club that there is a type of industrial government, not Whitehall and not a town council, which would give the average man this proper determining power. They believe that



it is this type which Industrial Democracy necessarily involves as the determining form of productive activity, and they desire as Democrats, therefore, that such a type should prevail in England.

Since it is not within the scope of this chapter to do more than hint at the disposition of things which we desire to be brought about, it remains to notice the defects of one or two current theories other than that main Fabian contention with which the preceding pages have dealt.

The second type of theory associated with the Fabian Society was called a few pages back "The Fabianism of the Minority Report". Critics of this theory have generally urged that the practice of it, or rather its influence on the practice of a society such as that of England to-day, is facilitating the advent of the Servile State.

Fabians, although some of them are now harking back to that older Fabianism which dealt with the collectivisation of interest and rent, have in the main tried to meet this sort of criticism by maintaining that it is not Fabianism which is to-day facilitating the Servile State, but the imperfect practice of Fabianism by non-Fabians. The remedy, they conclude, is not to abandon Fabianism, but to aim at making the practice of it perfect. "Critics blame us" (they might complain) "for desiring to dragoon the poor, or to imprison working men in compounds whenever they are not working for the rich. But if we do desire to drill the mass of the citizens, it is only that (when the proper time comes) they may the more effectively attain what they themselves think good. If we desire to imprison working men in compounds it is only that when

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the State shall become the chief producer they (these men) shall have already been made the more efficient as producers for the State. As for bureaucracy, political scientists tell us that 'the state is ourselves,' and it certainly will be when Democracy becomes effective. We Fabians wish to organise, to collectivise, and to democratise, and it is not fair to say that as Collectivisers we are undemocratic and that as organisers we consolidate present tyrannies. All three movements ought no doubt to proceed together, and it is not the fault of Fabianism if they do not."

This line of defence is characteristic of several defective theories of the day. "Our whole faith," reflects the Fabian, "includes the belief that the labour-market ought to be organised as a preliminary to its being nationalised. Here, through a Royal Commission on the Poor Law, is a great opportunity to do some organising; let us make use of it."

The great danger of such a theory is that it does not exactly determine what particular changes ought to come first in time. It urges organisation, collectivisation and democratisation, but assumes that these should all be promoted just when and where opportunity offers. But it ought to be obvious that the practice of such a theory will inevitably take the line of least resistance. In any given disposition of human society more opportunities will present themselves for one sort of change than for another. In contemporary England the Fabian will find many opportunities to organise, since many non-Fabians also desire organisation in particular directions; he will even find opportunities to collectivise, since powerful non-



Fabians desire the collectivisation of particular branches of industry; but his opportunities to democratise will be very few, since very few powerful people (whether Fabians or not) are really anxious to make democracy effective.

The chief defect, therefore, of the Fabianism of the Minority Report is that the line of least resistance coincides fatally to-day with that of organisation of a certain sort, and that Regimentation, if it is effected even a little more rapidly than Democracy, will prove, with Democracy handicapped as it is, not only its victor in the present fall, but soon strong enough to crush it for ever.

To sum up—Fabianism may claim to be democratic, but does not care enough for Democracy to insist on its being made a guaranteed condition of any other kind of change. Without the safeguards of an effective democracy the organisation of the labour market, or the nationalisation of the Port of London, may involve the worst sort of tyranny—worst because exercised under shelter of democratic forms. And, as we have seen, a democracy cannot be effective unless a determining number of the citizens own property in the means of production.

Before leaving these two chief types of Fabian theory one other point ought perhaps to be noticed. Just as there has been among many of the general reading public a vague feeling that the event of Collectivism is inevitable, so in the minds of many Collectivists there still persists a similar assumption as to its main conclusions from economic fact. Although Collectivism comes to

many in a forbidding guise, a reading of that first Fabian Essay in which Mr. Shaw argues so adroitly from Ricardian theory persuades them very often that exact justice necessarily implies the validity of that further inference which Fabians see fit to make. They then proceed to persuade themselves that the obvious dangers of the Fabian proposal may be neutralised by the grace of God or the omnipotence of Democracy.

Mr. Shaw says in that Essay :

So long as the fertility of land varies from acre to acre, and the number of persons passing by a shop window per hour varies from street to street, with the result that two farmers or shopkeepers of exactly equal intelligence and industry will reap unequal returns from their year's work, so long will it be equitable to take from the richer farmer or shopkeeper the excess over his fellow's gain which he owes to the bounty of Nature or to the advantage of situation, and divide that excess of rent equally between the two.

And later in the same Essay :

The economic object of Socialism is not, of course, to equalise farmers and shopkeepers in couples, but to carry out the principle over the whole community by collecting all rents and throwing them into the national treasury . . . the socialisation of rent would mean the socialisation of the sources of production by the expropriation of the present private proprietors, and the transference of their property to the entire nation.

Thus does Collectivism seem, at first sight, to rest firm on the impregnable rocks of abstract justice and economic necessity. And since even Fabians would assume it thus to stand or fall in the last resort, let us try, with one or two of the simpler tests, the fabric of these twin bases of their faith.

Whatever justice may involve, the common sense of men does not demand, in the distribution of external goods, a mathematically equal division. Many would

contend further that such a division cannot be just, so long as needs or tastes differ ; but even if they did not differ common sense would refuse to believe that efforts to attain it must, beyond a certain point, be necessary or even sane.

But even if Mr. Shaw were right in assuming such an exact division to be the proper aim of sane citizens, even so he tacitly omits several vitally important steps in the process of his argument from Ricardian theory.

For instance, he does not explain why his argument should apply to "external" goods only. He assumes it only necessary to say that "it will be equitable to take from the richer farmer or shopkeeper that excess over his fellow's gain" which he owes not to his own intelligence and industry.

When the Anti-Socialist Union pleads that some ground-landlords work, the Fabian replies easily that independently of that work they are bound to enjoy, as ground-landlords, an advantage due merely to a difference in soils or sites. His insistence on this shows that what he has in mind is "economic rent," as distinct from "rent" in the ordinary sense of the whole sum periodically paid for the soil or site rented. This merely "differential" advantage he wishes to redistribute in such a way that all citizens will be left exactly equal exactly so far as the advantage in externals of one over another would be, without such redistribution, merely "differential". But what of goods "non-external"? Why should not the argument apply equally to those? Mr. Shaw postulates "two farmers or shopkeepers of exactly equal intelligence and industry". But why, on Mr. Shaw's own ground, should that sort of equality be just?

Indeed, there used to be talk, both in Fabian circles and elsewhere, of such things as the "Rent of Ability". Fabians used to say that the power in exchange of each man's ability was not all due to his own use of his original opportunities, but partly to the mere original superiority of those opportunities over those of the exchanger of the ability least powerful in exchange who would just rather exchange it in that market than not. "Therefore," they concluded, "logic and justice demand that this merely differential advantage shall be redistributed, and its enjoyers so far equalised."

"How?" it might have been asked.

"By their being made salaried State-employees."

"But that would not so redistribute it unless salaries were fixed by law on a scale determined by an exactly accurate subtraction of this merely differential advantage in opportunities. How could that be done?"

"By a consideration of the public good."

"That is to say, you would cease to ask whether any individual was getting more than he ostensibly deserved, and you would ask instead what the public need ostensibly required. But do you believe that even on that new ground any committee of experts could determine exactly how supply and demand stood at any particular moment in every particular sort and grade of ability, and then go on to infer from that what exact remuneration of each particular employee the public need at that moment required?"

"We do not feel sure, but can we not exactly equalise opportunity through free education for all?"

"Improbably; but even if you could so equalise op-



portunity itself what about the gift of seizing it? Your argument from economic rent still applies."

"That may sound logical, but it is certainly pedantic."

"Agreed, and that is equally true of your own application of Ricardian theory to externals."

"But if we cannot achieve mathematical equality, surely we ought to get as near to it as possible."

"At any cost? Suppose the share of each man in externals were as nearly equal as 4 is to 5; suppose that by enormous common effort it were possible to make the proportion as near as  $4\frac{1}{4}$  to 5. Would that effort be worth while, especially if it wasted time and energy which might have been increasing greatly the store of external goods to be distributed?"

"No, it would not: then let the division approach reasonably near to equality."

"Agreed again; but by this last admission of yours you have yourself splintered those twin rocks of your faith. Nothing is left you now but to enter the same boat with those who desire such a reasonable approximation to equality in externals as common sense demands."

But Mr. Shaw omits several other important steps from his argument. Even if this Ricardian theory could be applied only to externals, his conclusion does not follow. Having implied a distinction between "economic" rent and rent in the more popular sense he seems to ignore it in proposing that *all rents* should be thrown into the national treasury. He has been contending that it is equitable to equalise men in externals exactly so far as the economic value of the property of each involves an

advantage merely differential. But he commits a simple non-sequitur if he offers as the next logical step the contention that therefore no man ought to own property in the means of production. Several steps in the reasoning must have been omitted, and it is upon the validity of just these steps that the logical necessity of Collectivism rests.

We have seen that the reasonable end at which Collectivists may aim is not a mathematical equality, but as reasonable an approximation as common sense would demand when not bewitched by false analogies from mathematics. One of the missing steps in Mr. Shaw's argument must be that in no other way than the vesting in the State of all the means of production can mathematical equality be attained. But can it be attained even so? Fabians have to prove first that the State—which consists of imperfect and fallible persons—will redistribute this differential advantage in the justest possible way. If they contend that this will be guaranteed by the inevitable triumph of political democracy, they have first to prove that political power can be, in England to-day, real without economic resource.

Mr. Shaw ought also to have shown why a reasonable approach to equality in externals need be unattainable otherwise. It is probable that he felt himself absolved from this duty by the fact that his equality must be not reasonable but mathematical. Those who would prefer theirs to be reasonable cannot absolve this argument (which omits such a proof) from assuming what most needed demonstration. It is Mr. Shaw's rôle to conjure

ethical arguments from the economic deeps, and the quickness of his hand has long deceived the eyes of rapt Fabians. The sudden substitution in this Essay of rent in the popular sense for rent merely "economic" will make the historian suspect that he needed some *deus ex machina* to save his theory. For since he cannot demonstrate it possible to isolate in practice those advantages which are merely "differential," he proposes to confound indiscriminately in one vast heap every advantage, "differential" or not, which might arise from ownership by different men of the means of production, even when some of these advantages constitute for some average man that one resource without which there would be no guarantee that the promised redistribution would be just.

Although, however, common sense would refuse to accept this undefended Fabian assumption as sufficient excuse for a proposal so dangerous to freedom, it would not therefore maintain that no such economic fact exists as an advantage merely differential. Bearing in mind, therefore, the reasonable approach to equality in externals at which men ought to aim, the inquirer might picture some disposition of things other than that which the Fabian desires, and consider how such an advantage might be counteracted so far as it proved dangerous. It will come more appropriately during a consideration of such a disposition to imagine how this might be done, and "economic rent" will therefore be noticed again towards the end of the examination of Gild-Socialism.

Three other types remain to be considered in this chapter ; the first is Syndicalism, the second is the theory of the younger Fabians, and the third is "Gild-Socialism"—a theory whose chief defender is Mr. Orage of the "New Age".

As for Syndicalism, it is not easy to determine how far it can justly be called a theory of civics. Of its means, the general strike—the movement seems fairly sure, but of its end Syndicalists give vague and conflicting accounts. The general strike is intended not only as an instrument for the capture of industry, but also as a sort of "myth"—useful as inducing a right temper in the people.

If what the Syndicalist desires is to bring about some sort of "federation of autonomous producing bodies," the inquirer feels bound to ask at once "How far autonomous? Are such bodies to be outside the law, or will they make laws by themselves? If they do make laws, will the sphere of these include production only, or also such things as crime, public health, or foreign relations? In other words, what about the political State? Are Syndicalists prepared to do without it altogether?"

Such questions do suggest the real defect of Syndicalism as a civic end. There must be in any community some organ of the general will—some body entrusted with the passing and administering of those laws which are binding on the whole community. If there is such a body, how ought it to be related to those producing bodies which do not, as such, represent the will and judgment of a determining majority of all the citizens on such



matters as crime or foreign relations? If the general will ought to be the supreme authority in a community, no other will can justly claim supremacy. If this other will ought not to be supreme, the expression of it ought to be subject to the laws made by a determining majority of all the citizens; if therefore this other will is that of a number of producing bodies, it is plain that such bodies cannot be completely autonomous.

To this the Syndicalist might reply: "In the Syndicalist state every citizen will be a member of some producing body. The internal government of these bodies will be democratic, therefore it will express, in each case, the will of a determining majority of its members. Each body, or federation of bodies, will send delegates to a national council, which, together with the executive officers it may appoint, will thus constitute what you call the State; it will pass laws binding on the whole community and determine even such matters as criminal law and foreign policy."

Let us examine this defence.

Either these delegates will be persons elected also as officers in different producing bodies—elected by persons acting not as citizens of the nation, but as members of a particular body—elected not for national purposes, but for those of a particular body—either they will be this, or else there will be a separate election of delegates to the national council.

The fatal objections to the first alternative must be plain to Democrats. We saw that one necessary implication of Democracy was that the citizen as voter at a Parliamentary election would be right in authorising

another man to determine by himself the purpose to be expressed in laws just so far as, and no farther than the citizen believes this other to understand better than does he himself that good which is common to this citizen and his fellow-citizens. In other words, the political State ought to be the instrument of the general will of the whole community.

(It may be necessary at this point to attach a more exact meaning to the term "general will" by saying that such a will is constituted by those acts of will "in" particular citizens which will a general end. Let us agree to mean that rather than refine unnecessarily.)

Now whenever the individual citizen, in his capacity of member of a particular producing body, elects a representative to express those acts of his (the elector's) will which will an end common to the whole of that particular body, he is obviously not at the same time electing this other to express those acts also of his will which will an end common to the whole political community. It is obvious that in practice the sort of man who will be deemed by a body of producers to be the best fitted to promote the good of that particular body of producers as such, will not necessarily be the sort of man who would be deemed the best, even by those same men, to promote the good common to the whole political community. For it is of a body other than this particular producing body that these same producers are at the same time members and citizens. In other words, a general will, whether of a producing body or of a territorial unit, cannot be constituted by any possible sum of wills comparatively particular.

Then let us consider the second alternative—that of a separate election for delegates to the national council. If each body or federation of bodies sends these delegates—if, that is, the citizen votes as producer for a man to express his will in Parliament, his choice will still be restricted to members of his own producing body. No shoemaker, for instance, will be permitted to vote for the man he thinks the best unless this man also happens to make shoes. But we saw that as voter for a member of a national Parliament or council the citizen ought not to support a candidate except so far as he deems him likely to promote the public good of the whole community. And this good necessarily involves other ends besides that of shoemaking.

“But,” the Syndicalist may reply, “the shoemaker would in any case always vote for a shoemaker, since he knows more about shoemakers than about any other section of the community.”

Then why compel him? If this last defence is sound, compulsion would be superfluous; if it is unsound compulsion would be wrong. In neither case is it compatible with what Syndicalists deem a right temper in the people.

It may be remarked that these plain facts are fatal not only to Syndicalism, but also to certain arguments (some of them from professing Democrats) in regard to the Second Chamber. Such proposals are that in that Chamber representation shall be in accordance not with territorial areas but with trades and professions. Just so far as it could determine law-passing no House should be constituted so.

We saw earlier in this chapter that the State ought to be the organ of those acts of will "in" each citizen which will a general end. The citizen ought, of course, to determine his conduct as elector in accordance with such an end. He ought to promote that national end so far as it seems to him compatible with the greatest possible good of the universe. But since human beings do not always act as they ought, the conduct of the State will not always express only the general will but sometimes also a particular will, or a sum of such wills. Perhaps only when mankind are perfectly wise will the expression of a general will be perfectly exact; perhaps only when they are perfectly good will such a will itself be perfectly good. But that is no reason why no attempt should be made to counteract the discrepancy as far as possible. Apart from the method of exhorting men to act more nearly as they ought, there is that of taking, as electoral units, not different sums of wills comparatively particular, such as those of producing bodies as such, but specimen pieces of the general will, such as the contribution made to that will by those who dwell inside a particular territorial boundary—by citizens, that is, whose association in a place would be, as against the association of producers in a trade, comparatively fortuitous.

It may be objected that even with electoral units like this, men may as electors will ends comparatively particular—that a town where shoemakers, for instance, predominated might elect a representative to promote not only the general end, but also, and perhaps almost solely, an end comparatively particular—in this case the end of the shoe-making section as such.



That objection is just, but the obvious conclusion is that we certainly ought not to maximise the danger it suggests by forcing men to vote as members of a trade or profession rather than as citizens of a nation.

But though Syndicalism as a theory of civics is unsound, the movement is significant as a revolt from ordinary Collectivism. And recent history has compelled many who were formerly Collectivists to reconsider their theory, and to ask themselves whether it is compatible with the just aspirations of those who desire a real industrial democracy—a disposition of industrial government, that is, which will guarantee as direct, immediate, and continuous an action on their producing body of the general will of the members of it as may prove consistent with the supremacy of the general will of the whole community. Whether Mr. A. R. Orage was ever a Collectivist it is not within the scope of this book to discuss, but “Gild-Socialism” has recently become through him important for the rival propagandist, not only from the force and dexterity, with which he defends those mainly just conclusions from recent history on which he bases it, but also because those conclusions do themselves crystallise many of the floating aspirations of the Syndicalists, and explain the gradual abandonment of Collectivism by the more open-eyed and human among reformers.

“Gild-Socialism” is not necessarily of one type, and several will no doubt emerge as its defenders come to think more clearly about its implications. But at present it certainly seems to imply a joint partnership in industry of Gilds and the State. Mr. Orage,

when this chapter was written, had been striving to elucidate his own scheme by the vague and difficult reservation "for industrial purposes only". When we come to ask what exactly is implied in such a context by the terms "industry" or "industrial," it becomes plain that as it stands this reservation does but darken counsel, and that so far as Gild-Socialists come to reason clearly they must in the main belong to one or other of the two types we shall distinguish.

In considering Gild-Socialism in general we ought to ask three questions at the outset. First, what degree or sphere of government is to be allotted to either partner? Second, is this to be the predominant type of industrial government, or the sole type? Third, if the partners disagree who is to be arbiter between them?

By Gild-Socialists, and in this chapter so far, it has been thought sufficiently exact to use the term "industrial government". But it grows necessary, when we come to examine the proposals of the Gild-Socialists themselves, to consider more precisely what the term implies. For instance, does "industry" include such services as the army, navy, and police? Does "government" include the controlling ownership of capital? If industry does include this, and if this joint-partnership is to be the sole type of industrial government, then the Gild-Socialist has put himself in a false position. To this we shall return in a moment. If industry does not include this, some services, such as the army and navy, might be governed in some other way. The Gild-Socialist might admit this, and he would so far be right. If he maintained none the less that although some services were not industrial, yet

all services that were industrial should be governed thus jointly, we should have to ask him what services in particular he included as industrial. This question would be very difficult to answer, since in some sense the control even of the army and navy involves control of some of the means of production, and the only intelligible compromise the Gild-Socialist could make would be to say that this joint-partnership of Gild and State should be the predominant, though not the sole type of industrial government.

Let us accept that as intelligible and proceed to ask him what he implies by "government". In this joint-partnership between the State and the Gild which would be the predominant partner? and who the arbiter if they disagreed? Government admits of many spheres and degrees, but the most important question for the Gild-Socialist is that of the controlling ownership of capital. Suppose it is so owned jointly. Then the non-State partner cannot use it except so far as the State consents. This clearly means that neither the whole jointly-governed producing unit nor either partner is, for this particular unit, a democracy. Only the Gild officers will have been elected by members of that Gild for that Gild's purposes. The officers of the State will have been either elected by people most of whom were not members of the Gild (and almost certainly not, or not only, for the purposes of this particular producing unit), or else appointed by other elected persons outside the Gild. Whether these appointers are themselves elected by members of the Gild or by others, the control of this section of industry by the producers in it is obviously not the directest possible action on it of their general will.



Suppose then the capital is so owned by the State. This clearly makes the action of this general will still more indirect and remote. It means that the Gild will have to entreat a State official every time it wants money, that the general will of the Gild, so far from acting as directly as possible, will find its expression conditioned at every point by the wills of State officials elected or appointed, even at the best, by people most of whom are not members of that Gild. The Gild-Socialist may reply that the State officials will allow the Gild whatever money is proper and reasonable, and that they will obstruct this general will only when they are not satisfied of its goodness. Now to treat a living person in this way is to treat that person as a child: the grown man desires, as Professor Bosanquet contends, that he may be able to plan his life as a whole, or at least for a very long way ahead. This aspect of property will be noticed in another chapter, and it will be enough to say here that if production is even to attempt a civic end, each producing unit which can live a life of its own must be able to determine its own activities directly and as a whole, and not conceive a purpose only to find that some State official does not see his way clear to doling out this money for which its members are forced to plead.

Moreover, we saw earlier in this chapter that political power cannot be real in England to-day without economic resource, and that in order to be free the average man must possess some resource which does not cease when wages cease—property, that is, in the means of production.

The Fabian offered consols, and we found that although



State shares were not adequate, shares of some kind might be. But it could not be said that membership of a Gild involved ownership of property in the means of production if the capital were owned by some one else.

Suppose then that the capital is owned by the Gild. But if the Gild elects its own officers and owns its capital it is a gross misuse of words to call the State its "partner". Perhaps in some extravagant sense the State could be called a partner in everything, since all activities may quite rightly be judged, in the last resort, by the general will. But it cannot be supposed that the Gild-Socialist means no more than this by "partnership". If he means as much as the common use of the word implies, he conceives wrongly the relations between Gild and State.

So far we have been examining the proposals of those Gild-Socialists who would admit that some services, such as the army and navy, might properly be governed under some form different from this of joint-partnership. Let us return now to those who would not admit that.

The position of those would involve them in maintaining that the activities even of the army ought to be determined either wholly by the votes of all the soldiers as such, or else by those votes equally with the army's joint-partner, the State. From either position the saner Gild-Socialist would recoil, but a few might still make bold to reply—"Why not? since that is what you propose for the industrial army".

But fighting, unlike producing, can profitably be treated in practice as a means separate from its end, victory. For (1) victory does not as a rule exist until fighting stops—a battle is not won until it is over; and (2) producing

occupies a determining number of citizens in the modern nation-state during a determining part of their time: fighting does not. Moreover, the citizens find it very hard to agree on what a good west is, and comparatively easy to agree on what victory is. It is the means to victory that are complex and difficult for the ordinary citizen. Now we found in our examination of Democracy that just so far as a civic end is other than the activity or process through which it is achieved the means to it ought to be provided by experts. Victory is other than warfare, and the means to it may include the whole of warfare: granted, then, that it is the general will of the whole community that is for victory in war (and therefore, of course, that war should be waged), nevertheless this general will should as a rule be expressed, this prescribed end aimed at, through the special knowledge and capacities of experts. No doubt war involves moral questions, such as whether victory ought to be pursued at all costs; no doubt too the soldier has, as citizen, a claim not to be ill-used—but neither fact disposes of the demonstrable truth that just so far as the soldier and his fighting are a means to the prescribed end, victory, so far the conduct of war ought not to be determined by the voting of the soldiers except so far as they are required to vote as experts.

It may be noticed in passing that the truth of this difference between warfare and industry cuts both ways, and is fatal not only to the theory at present under discussion, but also to those more popular theories (that for instance of "Vanoc" in the "Referee") which attack in-

dustrial democracy on the ground that government of any kind is good only so far as it resembles the usual government of an army.

But we may press this type of Gild-Socialist further still, and ask him why some services other than army and navy may not be governed otherwise than under his proposed joint-partnership. He desires, no doubt, with the writers of this book, that democracy should be real, and therefore that the average citizen should be possessed as bargainer of the proper resources, but it cannot be proved a necessary consequence of this that no service of any kind ought to be provided by bodies other than those under such joint-partnerships. It cannot be proved, for instance, that no services ought to be provided by Whitehall not in partnership with another body. Whether such a disposition of things as this Gild-Socialist desires is in practice possible it is not within the scope of this chapter to discuss, and it will be enough to say here that there may be some services so universally and immediately necessary that public opinion would keep them reasonably efficient, and their own consequent need of good services would keep their terms to those whose services they bought not glaringly unjust. Still less unjust if the service-seller had proper resources—if he could withhold his services and offer them to another buyer. It cannot be proved, therefore, that democracy would necessarily be made unreal if, so far as a service were of this kind, it were vested in Whitehall. For reasons much the same some services might safely be provided by municipalities. Indeed, there is no reason to suppose

that there would not be some services which might safely be even State monopolies.

Which particular services ought to be provided by which particular bodies could not be exactly determined except by experiment; prophecy of such details is not necessary, and the Gild-Socialist is placing himself in a false position if he demands more than that those who so experiment should promote the purpose of making and keeping bodies other than the State the *predominant* form of industrial government.

Nor, again, can the Gild-Socialist prove that no individual should be a service-purchaser. The writers of this book would certainly not abate one jot of their demand that the predominant and determining type of industry shall be that of comparatively autonomous, voluntary associations, but, in a disposition of things like that, individuals, when bargaining for services, will find themselves bound to offer terms at least as good as those of other purchasers. If then, neither Whitehall, nor any municipality, nor any Gild were showing a proper enterprise or initiative, then (except in cases where a service ought to be a legal monopoly of one of these three types of unit) it might be open to individuals to show the way. If the Gild-Socialist urged the danger of allowing this, he might be assured that the tendency would obviously be for such a producing unit either to become absorbed by one of the other three types, or for the form of its government to approximate sooner or later to that which predominated. If in some cases this tendency were still counteracted, there would be good reason for supposing



that the individual still governing were some man of exceptional genius in a certain sphere of production—a man, for instance, like William Morris—whose directive ability would be of sufficient public value to justify that degree of autocracy.

So far we have examined two types of Gild-Socialism : one which maintains that a joint-partnership between Gild and State ought to be the sole form of industrial government, the other that it ought to be the predominant form. We have discovered the first to be wrong if only because the State or an individual may safely be purchasers of services provided that another type of purchaser predominates ; and the second to be wrong because it is not consistent with the proper constitution of a determining number of the producing bodies in a real democracy that the State should condition their particular activities so closely, immediately, and continuously as it would be doing if it were, in any ordinary sense of the word, their partner.

The chief type, then, that we have been led to postulate for industry as a necessary consequence of the demonstrable truth of Democracy, would be that of a comparatively autonomous producing body, whose members would receive from it not only a predetermined wage or salary, but also the equivalent of part of the surplus of those values they had each helped to create.

It may be objected that if most producing bodies were even comparatively autonomous, the interests of the consumer would possibly be overlooked. To this it might

be replied that if one citizen depends on his membership of a particular body for the major part of his resources, it is plain that he ought to exercise a more direct and continuous control over that body than is needed by another citizen, who depends on that particular unit only for a particular class of commodity. If this other cannot accept the terms on which a particular Gild offers him a commodity, it is obvious that he can go without it or go elsewhere far more easily than the first citizen can go without his wages or enter another body. He could, of course, do without wages for some time, and he could enter another body, but the first remedy might involve considerable discomfort, and the second his having to learn unfamiliar branches of production. He ought not to need to do either very often. But the discomfort of the consumer, who would himself not be without resources, would obviously be far less. There is therefore no injustice in the limitation of one man's control over another man's Gild to a vote for a member of Parliament, another vote for a member of a municipal body, his influence on public opinion, and his ability to join or form a consumers' league.

It was suggested earlier in this chapter that the "differential advantage," implied in Mr. Shaw's argument from the theory of economic rent, ought perhaps to be noticed again during a consideration of some disposition of things other than that desired by the Fabian. We saw that the Fabian assumption from the Ricardian theory could neither be supported as it stood, nor serve as an excuse for a proposal so dangerous to freedom and

real democracy as theirs. This, however, did not commit us to the contention that no such economic fact exists as an advantage merely differential. We were to bear in mind the reasonably approximate equality in externals at which men should aim, and consider how in some non-Fabian disposition of things such an advantage might be counteracted so far as it proved dangerous.

There would be in a real democracy four main types of industrial government: Whitehall, the Municipalities, Voluntary Associations, and private individuals—the third type predominating.

In the first case (that of controlling ownership vested in Whitehall) these differential advantages are being distributed, in our picture of a real democracy, over all the community as Fabians desire they should, but with the justice of the distribution guaranteed by the reality of that democracy which is backed by a widely-distributed economic resource. So are they distributed by each municipality over those citizens who live within its area; and, so far as the differential advantage of one municipality over another is counteracted by Whitehall, over the whole nation.

So are they too in the case of a Gild over all its own members.

There remains, then, the merely differential advantage of Gild over Gild, individual over individual, Gild over individual, and individual over Gild.

It would probably be found that those spheres of production in which ownership involved considerable economic rent would tend to coincide with those which might safely be vested in Whitehall or the municipalities.

Moreover, in the case of land at any rate, individuals or Gilds would not necessarily want to own that land which they used as a place for comparatively large-scale activities. If in some cases they did, their ownership might be differentially taxed—on “unearned increment” (wherever this could be made reasonably ostensible), on undeveloped land, on income, or in whatever other way were appropriate. Similar methods of redistribution would be possible as between Gild and individual—so far, that is, as they were not rendered unnecessary by the fact that the individual was a controlling member of that particular Gild. The average citizen as against his fellow would be possessed of a proper resource, and if in exceptional cases the resource of his fellow were seriously greater than his by a merely differential advantage there would still remain, if needed, the method of differential rating or taxation.

If after all these methods had been exhausted there still remained some stubborn residuum of economic rent, there might be set, in the last resort, an actual limit to the amount of land or capital permitted to any one owner or group of owners. Such a limit might certainly be just, but it is for the prophet rather than the counsellor to say whether in a real democracy it would ever be necessary.

If even now there still remained some infinitesimal, insoluble residuum, then, supposing a determining number of the citizens each to possess the proper resources, common sense would deem it pedantic to waste any more time in poring over that precise mathematical equality in external goods which the Fabian exhorts us to postulate.



And it should be further remembered that even apart from the diminution in the incentive to effort which would probably result if *all* advantages not demonstrably deserved were skimmed off by the State, there is too, over against "unearned increment," the corresponding fact of "undeserved decrement". If a man can enjoy an "unearned increment" through a town's coming nearer to his field, he can also suffer an "undeserved decrement" through a town's going farther from his field. And in a real democracy there might thus be found a good because balancing function for this minute residuum of economic rent.

We saw just now that the State ought not to stand to the Gild as joint-partner in the sense of sole or joint controlling owner of the capital needed by the Gild. We saw this relation between State and Gild to be false, because a Gild ought to be able to plan its own activities directly and as a whole, and not to find the expression of its general will conditioned and hampered at every point by the wills of State officials elected or appointed, even at the best, by people most of whom were not members of that Gild. "In what relation, then," it may be asked, "ought the State to stand to producing bodies other than itself?" An analogy may be permitted from the activities of an individual. A man may be quite willing to answer to a human judge, as the executor of a general will, for any conduct of his own which affects a general good. But he would not tolerate the presence of a judge at his elbow during all his activities—certainly not a judge to whom he would be forced to plead again

and again for even the means to act. And it is much the same with the civic activities of a producing body. Let the Gild live its own civic life, and let the State require a standard.

This standard may be, of course, one both of quality, efficiency, and conditions of work. And so far as on the whole competition between Gilds proved to the public good, let the State permit it; so far as it proved evil let the State regulate or check it. Thus, and thus only, will democracy be real, and State and Gild perform each its appropriate function.

Lastly, in closing this chapter, it may be worth while to consider briefly the doctrine of the younger Fabians, and of Mr. Shaw so far as he is young. Not long ago Mr. Shaw stood up suddenly as the champion of an exact equality of money payment for every citizen. The general public, and even Fabians of the more pedestrian sort, have tended to regard this new championship as a private and irresponsible venture of one man. But in the eyes of many of the younger and more airily kinetic Fabians this doctrine underpinned no castle in the air, but began to form the very keystone of their civic arch. It may be that their eyes have been deceived once more by some new piece of legerdemain in the Shavian dialectic, but they have at least come to recognise better than most theorists the real danger of the "servile state," and the consequent real danger of such Fabianism as that of the Minority Report. As to their means they are growing more and more sceptical or indifferent, but of their end they are certain. That is, in the words of one of them,

"equality of money-payment plus elasticity of communal enjoyment".

To one half of this doctrine an inquirer might be tempted to make the stock objection that equality of money-payment can never be guaranteed just, since needs and tastes differ. "As for necessities," they would reply, "they will be produced not for profit, but for use, and the citizen may thus get them either communally provided, or in exchange for the smallest possible sum of money—a proper amount of which will be guaranteed him by his status as wage-earner. As for tastes, so many things will be communally provided out of either rates and taxes or the profits from State-governed industries that any individual will be able to express his personality, however distinct and exacting it may be, through his choice from so wide a field, which will be open to all citizens alike."

It will, we hope, be obvious from the rest of this book why its writers would repudiate such a doctrine as this. First, because its practice would involve neither a widely-distributed ownership of the means of production, nor a real industrial democracy: secondly, because although it professes to guarantee some ostentatiously precise equality (monetary and not obviously real) between citizens as neighbours, its practice involves nothing that can guarantee even an approximate equality of resource between either citizen and citizen or citizen and State as sellers and buyers of services: thirdly and finally, because in England an economic resource must precede any real political power, and this doctrine advocates no means that would make even barely possible an economic

end so definite and revolutionary as a persisting monetary equality.

But let us shut our eyes for a moment to all these fatal objections. Let us suppose the impossible—that by arms or other cataclysm there had been achieved in England not only this economic end of theirs, but also a sudden conversion of the conduct of all mankind, and especially of that of rulers, towards what would be, in this theory, the true nature of their worthiest selves. Let us suppose all this accomplished—let it be imagined that the difference between the creed of this book and that other to remain as one of ends moral or spiritual alone—even then, it shall be asked, are they right in claiming for such a life as they wish for men that it shall fit the human spirit best and most closely? So far in this chapter the main defence of property has been deliberately confined to the most arid ground that its enemies could take up in attacking it—it has been defended chiefly as the only means of guaranteeing the justest possible terms between men as buyers and sellers ; it still remains to ask whether even on grounds of the spirit alone the sort of life hinted in this book does not fit far better than theirs the whole person of man, and its music chime more intimately with the deepest desires of his spirit.

R. W. T. C.



## CHAPTER IV.

### PROPERTY.

NEITHER justice nor freedom in bargaining can be guaranteed except so far as there are separate properties in the means of production: so much is provable from the result of inquiries mainly economic. But it is fundamentally on facts over and above, though corroborating these, that there can be based a defence both of that and of other sorts of property.

English popular opinion (sound though it still is at heart) has already been so far distorted by the abnormality of modern publicists that even the plainest human fact needs continual reference to root principles. It is, therefore, from the very well-springs of conduct and political good that there could be derived nowadays the most salutary argument for property. But (for a reason similar to that in the last chapter) the actual deriving shall be relegated to another appendix,<sup>1</sup> and the argument will therefore emerge into the corpus of the book at a point in its course where it will be more readily accessible both to the impatient and to the unsophisticated reader.

Man recognises through intuition that so far as he can he ought to promote the best possible end, and that

<sup>1</sup> Appendix B.

therefore he ought to ascertain so far as he can the nature of this end, and the nature of the means by which it can be achieved—in other words, it is man's task to understand the nature both of the Form which is best and also of the Material in which that Form is to be exhibited. And since within the sphere of such an activity freedom and necessity co-exist, it is his task to understand how far there is permanence in things and how far they are plastic to the will. So long as this best possible form is not yet exhibited in the material of the whole universe, it is the will's task to reform.

But though reform is thus the duty of man, the nature of his material is not easy for him to understand if he studies it only in the abstract. It is said of many reformers that they loved man in the abstract, but hated him in the concrete—that they loved humanity but hated men. Fitzgerald's Omar loved some one, it is true, but even he could sing:—

Ah, Love ! could thou and I with Fate conspire  
To grasp this sorry Scheme of Things entire,  
Would not we shatter it to bits—and then  
Re-mould it nearer to the Heart's Desire !

Christian jesters might ask of Omar how he knew the Scheme of Things to be sorry if he had not grasped it entire, and Tories might doubt whether he really understood the nature of the Things themselves, since he believed that only after they were all in bits could they be remoulded aright.

And if any reformer does mistake the means to his end, if he does misinterpret the interaction of freedom and necessity, it is as a rule because the area of his

inquiry is too wide for him to understand the concrete nature of things. Man needs to practise on a smaller scale : only thus can he fit himself for his proper part in the eternal task.

Hence the need of the Family.

So far as the reformer tries to study humanity merely in the abstract, he cannot understand even a few particular men in the concrete. In the family men are so related one to the other that they can there best come to understand the nature of man. For it is there exemplified in concrete human persons who do on the whole best represent it, all to each and each to all, because the family relationship is determined for each member independently of his own choosing. If men could choose, each by himself, what relations they would have, their understanding of human nature would not grow so well. It is better for a man to have to understand the relations he gets, rather than to get as his relations only those whom he understands already. For it is plainly only so far as he does not understand human nature already that his understanding of it can grow. Men will learn from love or necessity ; seldom from anything else.

Hence too the need of Property.

For a man with property is so related to his environment that he can best come to understand the concrete nature of material. }

The institutions of family and property are as it were corollaries one of the other; for through them men can best come to understand the nature both of what is personal and of what is impersonal—and how these interact.

Suppose some man to be without family or property. Even so by God's grace his will may effect something good, but how exceptional those gifts will have to be which will wholly compensate him for the lack of that which gives men the feel of things—which best fits them for their dealings with the outer world.

Suppose one such man in London streets poor, alone, and without hope. He will naturally fear that all those things are permanent which exclude him from what he deems to be his own proper life. Or else, if he hopes, he may suppose that dynamite can end them; that if only all those doors were shattered, the whole world might be remoulded nearer to his heart's desire. He may hate mankind in the abstract, because it is the doors of men which shut him out.

Suppose another such not poor, and full of hope for mankind—but, like the first, without family or property. This one will naturally hope that none of those things are permanent which exclude men from what he in his ignorance deems the proper life for mankind—even though among these things may be some which are part of man's permanent and essential character. This man may love mankind in the abstract because he is not vividly aware that a normal man in the concrete perversely desires a private house with doors that he can open and shut.

And now suppose a third man—one belonging to a family, and with property belonging to him. This one will come to understand better than they what men ought to become, since he will better come to understand what men are. He will understand better how to reform, for he will understand better what that is which is to



have the form. The closer presence of what is tangible will keep him in closer touch with what is real.

Imagine him in the private house of his own family ; in his own room ; surrounded by the things most proper and akin to himself. Within each man a creative spirit is longing to be out in what lies near ; nor can any man fulfil the needs of his essential self unless he can try to create in some material or other that form whose nature his own self understands. Some create in stone, in paint, in a disposition of words or of the notes of music, but of those sorts of material each is far too tantalising for most men to find in it what they can fashion best. None the less all men are by nature artists and poets ; they long to create and to choose, and for most men the normal material is property.

Here is our man in his room. He is free, for instance, to choose one wall-paper rather than another ; he may learn from experience whether that wall-paper was after all what he really wanted. "How good it must be," he may say in the first flush of his creative aspiration, "to surround oneself with a wall-paper whose colour shall thrill always the inmost core of one's soul."

He chooses, and lo, his walls soon glow for him with some deep burning gold or blue.

Days pass, with him still living in the presence of his choice. And in due time he may come to feel that life is not all lived in the inmost core of the soul, and that even the soul itself will scarcely resent there being, between thrill and thrill, some neutral interspace.

"And besides," he may reflect (sitting Godlike on his oaken throne by the central fire of his microcosm),

"surely it is against the neutral dusk that lamps glow best. Behold, therefore, my walls shall take on the grey of monasteries; splendid against that shall glow my banners—all my lions of gold and my turrets of silver. Lo, I will push the Sofa from his ancient place; his brazen wheels shall roar like thunder. Neither any more shall Webb lord it upon the Bookshelf; I will consign him to outer darkness where there is wailing and gnashing of teeth. I will roll up the Crimson Rug; yea, the roll of it shall stand on end, and on the top thereof I will set my Third-Best Armageddon Claret. I will look upon my room and see that it is good."

This and much more he may say and do; so shall he grow in joy and understanding. So shall he learn what is plastic and what is permanent; what will can achieve, and what that is which will has to fashion. So shall he deal wisely with the world outside his room and alter best the form of what surrounds him—knowing best what can and what cannot be done, standing up free among his kind.

"'Free among his kind,'" intervociferateth John Smith, "that's the better ticket. Away with all that about a 'creative impulse'. Whether I am normal I know not, but I do know that I am average and ordinary. Do you mean to tell me that my right to property depends on whether or not I have the Artistic Temperament? When the wheels of me are run down, when I am in gloom and sullen, when the life within me is dried up and I find no savour in the world—am I then to lose my human right of property? Does my right as a man lapse because for a moment I cease to push the

Sofa from his ancient place? And suppose I never push it at all, or have none to push, do I then lose my right to the apparatus of freedom? As for that impulse to create, perhaps I have it, but I tell you a man's moral right to property must rest on something set far deeper than that. It rests on the free-will that God has given him; on his right to make his own life and to aim at what he will."

"John Smith, thou art right. Know then that if I speak of man as artist and poet I do but use an instance of his manhood. His right to Property rests at last on the Free-Will which was God-given. Property is the normal apparatus of a free will, and a man's right to it does not depend on his being ostensibly artist or poet. But such, I tell thee, every man is, whether or not he knows it, whether or not some neighbour shall choose to point him out as one living and acting so."

Thus the normal man has also the need of property as the normal material in which he may create—the proper environment in which, on some smaller scale, he may practise for his part in the eternal task.

But one in the outer world may come to him and say, "Own your own room by all means: own your pipe and walking-stick: own your house and garden if it please you. All that is Property in Personalities, in things which are as it were the vesture wherein your personality may exhibit itself. So much I will grant you, but why insist on owning Property in the Means of Production? Of course, to own land and industrial capital may amuse you, but see what evil comes of

private ownership: use and security must be enough. Come, be sensible and a State-tenant. Use. Enjoy. But fret no longer to own."

Thus may accost him some disputant of parts, and how with such shall he parley within the gate? He shall be able to say: "Shut thy Webb; open thine Arthur Young. The magic of property does indeed turn sand to gold. The passion to create and to choose, the desire of the normal man for something determinable at the heart of life, the organic satisfaction which visits every limb of the spirit when the will is exercised on a material which responds to it closely and continuously—all these things, visible plainly in the instance of a room or a house, will be found subsisting none the less vitally beneath that complex of right and fact, of love and independence, which attaches to property in land."

"But land," this critic might object, "is not the only means of production. What of industrial capital?"

(But before we hear them further, let us christen our normal man "*Normalis*," and his critic "*Abnormalis*".)

*Normalis*: It is true that many to-day (and certainly a few even in some more normal age) would not desire to own land, or at any rate not the inadequate quantities of it which might be all that they could readily acquire. For such there is another form of property—shares in a producing body. Many might want to own some of both.

*Abnormalis*: But shares are not tangible material. All that a share would be to your average man is a claim to receive payment from the producing body. How could he create in that? How could he practice for the eternal task on a mere claim or debt?



*Normalis*: Since you have begun it, let us go on to define our terms more exactly. Imagine this man to be a producing member of a producing body, holding shares in it, and helping to determine by his voice and vote the end at which it shall aim. Now consider first those tangible objects, not money, which are used in modern production. First, land; second, those appliances which are normally fixed; third, those which are normally not fixed; fourth, other tangible things, chiefly material. (I admit that the dividing lines between these three sorts of tangible object may not in practice be easy to draw with exactness or finality, but some such rough distinction is certainly possible and convenient.) As to the first and second of these, land and fixed appliances, it would be possible, I am told, for the members of the body to be "co-owners" or else "tenants-in-common" of either or both. Wherever the men and the things were related thus, the share of each man in the things might form, under laws at any rate not very different from our own to-day, a separate item of property, which would not only be transferable by him during his lifetime, but would pass on his death to his representatives, unless he had previously transferred it otherwise. If on the other hand the members were "joint-owners" or "joint-tenants" the rights of each particular owner or tenant would be extinguished by his death, with the result of increasing the rights of whomsoever survived him, if any did.

As to the third of these—appliances which are normally not fixed, although some of them would no doubt admit of such relationships as "co-ownership," "tenancy-in-common," "joint-ownership," or "joint-tenancy," yet in

many cases a more appropriate relationship between the men and the things would be that in which each man owned separately the separate things which he alone would need and use.

Now I need not tell you that I am no expert jurist, and my use of these legal terms may have been inexact. I will therefore assume no more than that there might be, under either our own existing laws or others not very different, relationships similar to these essentially.

It is plain that the relationship between the producer and his material does involve at some point that human impulse to choose and create which attaches to ownership of a room or a house, and it might be contended that an impulse akin to this (though less than it in degree) was involved in this other relationship which would subsist between the craftsman and his tools. But it is not easy to say in either case how far, or at what point, that impulse would be disappointed if the man, instead of being endowed, by his membership of a producing body, with some sort of legally enforceable claim over the thing (or against that body in respect of the thing), were merely permitted the temporary, conditional, predetermined use of it by some other man whom he served—and if, moreover, he were not endowed by his status as employee with any sort of legally enforceable claim to determine, even in part, the ends at which this other man should aim in producing. This is not easy to say; it is certainly hard to disentangle in practice his impulse as craftsman from his impulse as owner. But suppose it were open to a normal man to be either such a member or else such an employee. Suppose too that his being

the one rather than the other would involve no difference whatever to his impulse as craftsman. How in that case would the two alternatives stand to the rest of the whole creative impulse that was in him?—to that part of the impulse which he felt not as craftsman but as owner?

*Abnormalis*: I admit that in that case he would fulfil his whole need better if he were such a co-owner of the tangible things used in production. But I still deny two things: First, that only these two alternatives are possible; second, that this difference between them could ever be great enough to support even one-tenth of what you claim for one of them, that is, for membership of a self-controlling body not Whitehall and not a Town Council.

If these tangible things are to be objects of co-ownership by the whole body of such members, the relationship between each member and this common property could never be, unless the body were very small, anything like so close, continuous, and direct as you would be bound to postulate if you set this form of property on a level with the ownership of such things as a room or a house, or even land.

So far you have not proved that such separate properties in industrial capital would so satisfy a man's need as to compensate for the evils which we already know to result from almost any form of property in the means of production which is not common to all the citizens in a territorial, political community—whether of the whole nation or local.

*Normalis*: Let us take first the second of those two things which you still deny. You deny that this differ-

ence (between the two alternatives I was imagining to lie open to some normal man) could ever be great enough to support "even one-tenth" of what I claim for one of them, that is, for membership of a self-controlling body not Whitehall and not a Town Council.

Well, whatever central argument I might be inclined to oppose to that would depend in the last resort on my general feeling about the nature of my fellows. So far as it did so depend it could not be completely demonstrated by reasoning. So although I myself believe that the difference would even to-day be far larger than you suppose, and that it would increase as such ownership became normal to and incorporate in the fabric of society, yet I will leave that point for the present—after reminding you that this difference, which you yourself admitted, is an item which, even if it be small, must go down in this controversy on the credit side of my account.

Now for the other thing you still deny. You deny that among the conceivable relationships between the men and the things the only two possible are, First : that between a member of a self-controlling body and the property of which he is co-owner, and second : that between an employee and the property of which he is not the co-owner, but only the temporary user—and that moreover only on terms prescribed by another man whose ends in producing the employee has no legally enforceable claim to determine, even in part. In denying this you have in mind a third possible sort of relationship—that between the citizen (of a territorial, political community) and the things controlled by himself and his fellow-citizens through the agency of the political officers



they elect—in other words, ownership by the State, whether central or local.

*Abnormalis*: Yes, that is certainly what I had in mind. We know that evil has resulted from the vesting of industrial capital otherwise than in the State. Therefore, in order that such evil may be as far as possible eliminated, the normal relationship between the men and the things should be that between citizens and State-property.

*Normalis*: Very well. Suppose a State-employed craftsman to be the user of State-owned material. Now his relationship to it is shared not only with those other craftsmen who are similarly concerned with it, but also with many other citizens, who, not being fellow-craftsmen of his, are not concerned with this State property so closely, continuously, and directly as he. If it is in a town council that this property is vested, then his share in determining the end for which it shall be used will be conditioned and restricted by the like share of, let us say, twenty thousand other men. These will be concerned in many diverse ways with this material, none of them (except his fellow-craftsmen) so closely as he, and most of them so remotely as to feel very slightly, very seldom, or not at all, that sort of impulse towards it which is in the craftsman himself.

If it is vested in Whitehall, he will share his co-ownership not with thousands but with millions, and the concern of those millions with this material will be (except in the case of his fellow-craftsmen) proportionately the more remote.

Now you contended yourself that the relationship between the man and the thing would never be close,

direct, and continuous enough unless the body of which he was a member were very small.

(Let us agree at this point to call your producing corporation a Political Body, and mine a Gild.)

Now if a Gild of average size were, as you assume, too large to admit of an adequate relationship between man and thing, still less adequate would it be in the case of your Political Body. For even if we omit that political body which is constituted by the whole nation, the average number of members in your local unit would be far larger than the average number in my Gild. Larger still would be that average if we included, in the same class of producing corporation, the nation itself as a distinct body.

*Abnormalis*: But if Political Bodies were the normal producing unit, and if, as you imply, the nation should be considered as a unit in some sense separate from the local bodies, then the same one craftsman would have a share in two units—one through his vote for the officers of his local body; a second through his vote for those of the nation.

*Normalis*: True; but two relationships each inadequate are not necessarily the equivalent of one that is adequate. Moreover, in your state of things there would be only those two; in mine there would be not only those two but also a third—the relationship between the craftsman and the material owned by himself and his fellow-craftsmen in the Gild. Your craftsman has two votes: mine has three.

About your contention as to the size of my Gild I will say no more now except that if, so far in this controversy,

the one item to my credit is small, then that item to your credit which refers to the same thing will be far smaller. Then so far the balance is with me.

But let us suppose, if you like, that the average number of members in my Gild would be as large as that in your Political Body.

Now in both cases the craftsman would share the ownership of the material with other men. But whereas in my Gild all those who share it with him would be concerned with that material very much as he was, in your Political Body only some of those who shared would be so concerned. For even in the country sometimes, and in towns and cities very often, men do not remain voters in the same unit of political area. But even supposing they did so remain, certainly not all and probably not most of the voters in such a unit would work in the same material as did this particular craftsman, and some of them would therefore not need to be related to it, as controllers, in the same way as he.

Now in forcing your craftsman to share the ownership of the material he uses with men whose concern with it is very different from his own as craftsman you are disappointing that element in his whole impulse towards it which is over and above that other element which is in him as craftsman.

For even if, under your arrangements, his craftsman's impulse towards it were just as properly fulfilled as it would be under mine, even so you would be treating him worse than I should be, since you would be making it far harder for him to calculate in advance what ends he is likely to find prescribed for him in his use of it

Among his co-owners there would be under your plan many men, who, though not of his craft, had none the less a share equal to his own in prescribing the ends to be aimed at by the producing body of which he was a member.

The craftsman of my Gild, in calculating in advance what ends he is likely to find prescribed for him in his craft, has only to reckon with those differences of opinion about them which would arise between men who all understand that craft. But the craftsman in your Political Body has to reckon with those differences of opinion which would arise between men of whom some do understand that craft and others do not. The shoemaker has to speculate not only on those differences of opinion about the ends of shoemaking which would arise between men who all understand it, but also on those which would arise between shoemakers and grocers, between bus-conductors and steeplejacks.

This would be superhumanly hard for him to do. But even if he succeeded in doing it, the fact that the end he was to serve as craftsman was so directly dictated by men who did not understand his craft, would disappoint or wound his whole impulse towards the material he used.

And in most cases the craftsman would feel himself to be serving an end so little predictable by or reasonable to himself that his human need of something calculable and responsive at the heart of life would be left so far unfulfilled.

Again the balance is with me.

*Abnormalis*: But so far you have dealt with only two of those four main sorts of tangible object with which



your craftsman would be related in producing. What of those other two, land and fixed appliances? Now even if I grant you your Gild for the moment, surely it would make little average difference whether his relationship to these two sorts were that of "co-owner" or of "tenant-in-common". And if he were "tenant-in-common" why should not this land and these fixed appliances be owned by the State? So far you have not proved that the main sorts of tangible object which the craftsman would use as his means of production ought normally to be owned by anyone but a Political Body. Let your Gild rent or hire such land and fixed appliances as it used, but let the State normally be the owner.

*Normalis*: To begin with, there are certain fairly obvious objections to tenancy of any kind; but I think we had better discuss those when we are considering land in general. For the present we will suppose that these objections, whatever they are, don't apply to this particular case of land and fixed appliances used by Gilds. I will go so far with you as to assume for the moment that whether the Gild owned its land and fixed appliances, or whether it hired or rented them from the State, the *average* difference, to the need and impulse of the craftsman, might be small.

H. G. Wells wrote an essay in which, to illustrate the difference between individual and collective action, he used the picture of a load of small stones about to be turned out from a cart on to the roadway. His exact words I can't recall, but the substance of them was that although you, the onlooker, might not be aware of the

shape of each individual stone in the cart, yet these idiosyncrasies would so balance and cancel one another that you would be able to predict, with considerable success, the shape of the heap they were about to constitute in the roadway. Some such illustration as that could be used of your own contention that the difference between ownership and tenancy, in the case of land and fixed appliances needed by a Gild, would not be accompanied by more than a small *average* difference to the need and impulse of the craftsmen who were members of that Gild.

For, although out of a hundred Gilds that had the choice, ten chose ownership and ninety tenancy, none the less they ought all to be able to choose. You would disappoint at the outset the collective impulse of the Gild as a body, if you made it feel that in the determination of its life as a whole it would find its initiative hampered in any experiment which involved at some point an uncommon use of land or fixed appliances. You may hope, if you like, that State-tenancy would be usual, but you would be depressing certain obvious values if you made it compulsory.

Moreover, although you have granted me my Gild for the moment, I wonder if you realise how vast the difference is for a man between using, for ends prescribed by the State, land and appliances over which his status as employee gives him no legally enforceable claim, and using, for ends prescribed by himself and his fellow-craftsmen, land and appliances for whose rent or hire his own Gild has freely made a definite contract. As producer in the first case he is merely given a status :

as producer in the second he takes part in the framing of a contract.

*Abnormalis*: That's all very well, but I might remind you that in strict legal theory no full ownership of land in England is possible except to the Crown.

*Normalis*: So you might, but I doubt whether it would support your case—even if it implied that in England to-day there does not exist in fact private property of that sort about which we have been contending. For if there did not I might score against you a debating point by asking: "How can private property be evil if it does not exist?" That question would not be fair to your real position, but it certainly is fair to point out against you that feudal theory has in England stolen from the institution of private property its power to vindicate its own appropriate virtue. You attack private property in land: I the concentration of it in the hands of a few. I claim that private property in land would be good if widely distributed: you have to prove that it would have been none the less evil even if feudal theory had not assisted that evil concentration.

I take it that estates in land do exist which are practically equivalent to full ownership. I am no expert jurist, but I am told that an estate in "fee-simple" confers full rights of possession and enjoyment, unrestricted by any rules as to waste, and full rights as to disposition either during the "tenant's" lifetime or by his will. If he dies intestate the land passes to his heir, if any can be traced. If he dies intestate and no heir can be traced then the estate comes to an end, and the land passes, so they tell me, by escheat to the lord. A limit in time

does in theory attach to estate of all kinds, but in practice it does not exist in this case of fee-simple.

Well, I don't very much mind if this lord happens to be the Crown. I don't mind if you choose to call that sort of relationship between the man and the thing "tenancy". For the purposes of our argument it approaches quite near enough to the sort of relationship I desire to see widely distributed in England.

But to settle the difficulty between us, tell me whether you would be willing for that sort of "tenancy" of land to be the normal relationship of an Englishman to that piece of land which he possessed as an individual?

*Abnormalis*: Certainly not.

*Normalis*: And is it to that sort of "tenancy" you refer when you speak of "State-tenancy"?

*Abnormalis*: No. I should be quite as willing as you are to call that sort of "tenancy" "ownership". I will waive my claim to any such debating points against all the references you may make to that sort of "tenancy" when you speak of "property in the means of production".

*Normalis*: Good. Then let us revert for a moment from questions attaching to State-tenancy of land, and return to them when we come to discuss land used not by a Gild, but by a private individual in his individual capacity. Let us proceed at present with our dispute about those means of production to which my craftsman would be related in his capacity of producing-member of a self-controlling Gild.

*Abnormalis*: Before we run free again, let us get settled with the words we are going to use. We have been talking so far as if "means of production" and "in-



dustrial capital" meant exactly the same thing. But what about goods ready for sale? Some would include those as a part of "industrial capital," but I doubt whether we ought to call them "means of production".

*Normalis*: Perhaps we ought not. But I don't think it would make much difference to our problem. Where we certainly ought to distinguish is between that part of "industrial capital" which either is or represents land, appliances, and material, and that part of it which circulates in the form of money.

*Abnormalis*: So long as we don't involve ourselves in any dispute which hinges merely on the terminology of specialists. I take it that if your craftsmen had shares in Gilds, they would have legally enforceable claims to receive payment, each of them from his own Gild; and that if each of the members of a particular Gild chose to enforce the whole of that claim against it, and if all the members did so at once, the Gild (that is to say, they in their corporate capacity) would have to meet such claims not only from circulating monies, but also, at some point, from the disposal of some of whatever disposable rights it possessed over the more permanent sort of capital, the actual tangible objects used by it in production.

*Normalis*: Yes, I should say that was right enough. Now what about the word "property"? Do we mean by it the things themselves, or the complex aggregate of those rights which are exercised over them? If you are willing, we might agree to mean either or both, unless we specify one of them in particular.

*Abnormalis*: I am quite willing. The important thing then, it seems to me, is this. The Gild has certain rights

over certain tangible objects, such as land, appliances, and material. Each member, we will suppose, is related to those objects either as co-owner or as tenant-in-common, or in some way like either of those essentially. Claims against the Gild for payment could be met, up to a certain amount, without the Gild needing to dispose of any of its rights over those tangible objects. Then your craftsman is related, as producing member, not only to those tangible objects, but also to certain circulating monies.

Now whatever you may choose to say about land, appliances, or material, you can't mean to tell me that any difference is made to a man's creative impulse whether these circulating monies belong to the State or to his Gild.

*Normalis*: I shall first remind you again that choice ought to be possible to the agent whether or not that choice would be, in a majority of cases, what you yourself would have it. I was willing just now to assume with you for the moment that in that instance of land and fixed appliances, it might make little *average* difference, to the need of the craftsmen who were members of a Gild, whether their Gild owned that land and those fixed appliances, or whether it rented or hired them from the State.

But I contended then that even if, out of a hundred Gilds that had the choice, ten chose ownership and ninety tenancy, none the less they ought all to have the power to choose.

Now even if I were willing, even for the moment, to assume something similar in this instance of circulating

monies, I should still contend, as I did then, that there ought to exist this power of choice.

But I should certainly not be willing to assume that in this instance of circulating monies a similar difference, between ownership and something else, would, in each of a majority of cases, involve only a small difference to the need and impulse of the craftsmen who were members of a Gild.

In that former case I did not say that you were wrong in approving the choice of those Gilds which chose tenancy. But in this case I do insist that you would be very definitely wrong if you approved the choice of those Gilds who chose that the State, rather than themselves, should own the circulating monies necessary to their operations in producing.

You remember that in the instance of the relationship between man and material we found it hard to disentangle in practice a man's impulse as craftsman from his impulse as owner. In this instance the difference between the nature of material and that of circulating monies will enable us to simplify the problem by considering neither a man's impulse as craftsman alone, nor his impulse as owner alone, nor even these two in combination, but rather that whole human passion to create and to choose which is in any normal man, and that whole human right of self-determination by which that passion is justified, and by which it is compacted for ever and ever with the fabric and original essence of human destiny.

Now coalescent with this passion to choose and create is the need of a man for something determinable at the

heart of life. He desires that there should be in things some ultimate and original character which neither changes nor can be changed, which persists though their situation may not. He also desires to be able to change their situation, and so to impress upon what surrounds him that form which his own self understands. He desires a fixed and calculable basis, as it were, for whatever movements he may choose to make. Just as a normal small boy will look about him for some piece of ground firm enough that he may, if he so choose, stand on his head, and will assuredly dislike ground whose character is so incalculable that he, even when not choosing so to dispose his person, may at any moment find himself thus capriciously reversed—just so the normal man desires to live a life which is calculable: not wholly, but to a certain extent. Certainly not all need be fixed; neither must all be flux.

Now although, in the instance of these circulating monies owned by his Gild, the relationship between the man and the monies is not in every respect of the same sort as was that between the man and that material of which he was similarly the co-owner, yet he can find, in the shares which gave him claims over both, such a calculable resource as will constitute for him that basis of action which his own self normally desires. Such shares will endow him with a certain power of determining his own life as a whole; he will at least be able to calculate for such a distance ahead as will fairly represent, before the constructive part of his imagination, a period long enough to include appropriate specimens of life's most representative activities; he will be able



to predict so much at least of the future as will enable him to live in the present that sort of life which may best represent the character of his whole self. They will constitute for him this calculable basis because he, possessing a resource which does not cease when wages cease, will possess the power, amid the manifold seasonal, local, and cyclical fluctuations of the commercial world, of predicting and determining, to a certain calculable extent, the disposition towards himself of this immediate economic circumstance. Fixed, and near his hand, this at least shall persist in the flux.

*Abnormalis*: To hear you talk, anybody would think I was a sort of Communist. I am not; I am even willing to go so far with you as to admit these two things: First, that no human being ought to find his whole economic resource determined merely by the current higgling of markets not responsive and personal to himself; second, that no adult human being ought to depend, for a determining part of that resource, merely on what some one else deems it reasonable and proper that he should have. I agree that (as Professor Bosanquet contends) if one says to an adult, "I will allow you whatever may be reasonable and proper from time to time," one is treating him as one treats a child.

I admit these things, but I still contend that such a resource as he needs might be given a man through his position as citizen-shareholder in a Political Body.

*Normalis*: But no economic resource will avail towards helping a man to determine his own life, except so far as it is in itself adaptable to economic circumstance, and except so far as he himself can personally determine its use.

You point to State-owned utilities, and urge that the citizen has property in them. But what sort of use can he make of such property?

To begin with, the relationship between the man and the thing is, in the case of a Political Body, far too remote. Every moment in which the man himself is not in actual contact with the utility; every vote at a political election which is cast by some one whose concern with that particular utility is different from his own; every stage in the delegation of authority; every step away from direct democracy will carry him farther away from personal control over the thing. But even if his relationship to it were just as close, direct, and continuous as it would be in the case of my Gild, even so he could not use such property in State-owned utilities in such a way as to find in it the economic resource he needs.

For what powers are involved in the freest possible use of property in general? Three at least: that a man's proprietary rights should be transferable by him to others in his lifetime; passable on his death to his representatives unless otherwise transferred before; usable by him for the payment of his debts.

What are involved in the use of State-property by an average citizen?

Even if we call him an "owner" of such property, he is not a "co-owner" but merely a "joint-owner"; that is to say, his share does not constitute a separate item of property (transferable in his lifetime, and, unless otherwise transferred before, passable on his death to his representatives), but is at best merely a right which will be ex-

tinguished by his death with the result of increasing the interest of whomsoever may survive him.

*Abnormalis*: Do you contend then that the use by its members of their property in a Gild would be just as free as the freest possible use of whatever property is of the most freely usable sort?

*Normalis*: I will come to that in a minute. But remember now that the balance on my side will be increased even if I cannot prove more than this: that the use of property in my Gild by a member of it would be just freer than the use by a citizen of property in your Political Body. I think I can prove more than only just that, and everything more that I do succeed in proving will go to swell that balance which already lies to my credit in this controversy.

I will also have you realise that you are forcing me to do what I especially dislike. For I cannot indicate precisely what degree or kind of freedom would attach to the use of shares in a Gild without appearing to dictate the lives of free men. You are forcing me to give you details of the position and administration of a Gild.

Now first of all, I am no prophet; but only an unbidden counsellor. I will not say that Englishmen will soon begin to determine the ends of their own national life; I will not say that the Gild is inevitable.

Secondly, I am no specialist or expert; but only a normal man. You will agree that the current metaphor of progress, of walking towards a goal, is empty of all relevance unless the user at least knows in what direction the goal lies, unless he would at least be able to recognise that goal, or a picture of it, if he should happen to see

such a thing before him. You will agree that a more relevant metaphor is that from painting, of a picture whose essential form lies already in the vision of the painter.

But not even that metaphor can be applied exactly to the facts of State-craft or corporate initiative. First, because the beholders of a picture are not bound by another's rules of art in the same way that citizens are bound by rules of law; secondly, because the painter himself is a specialist: he must be expert in matters of detail.

The normal man, in picturing before his inner vision that disposition of things which he desires to be brought about, has to rely, for the means to his end, on the expert ministrations of others. He himself has done his own part if he can get before his inner vision the determining proportions of that ideal state, the chief lines of it, the general distribution of colour.

I charge you, therefore, O Abnormalis, that you should not conclude that the goodness or practicability of this end of ours must stand or fall with whatever I in particular happen at this moment, in the heat of controversy, tentatively, and at your own compulsion, to suggest about means.

And, thirdly, who are we that we should presume to dictate the lives of free men?

I for one shall not so presume. In suggesting just so much of detail as your own demand requires me, I am only suggesting one of the many alternative arrangements through which a Gild might achieve its own purpose. And in order to clear the issue I shall open with a broadside of As and Bs.



Out of the many essential needs which could be met through a Gild, the following are the most pertinent to this issue of the use of property :—

We need A. An Economic Resource which does not cease with wages ;

B. A Producing Body which shall include

1. among its shareholders as few as possible who are not also producers in it, and
2. among the producers in it as few as possible who are not also its shareholders.

That is to say, a man ought not to lose his resource just because he has ceased to produce in a certain Gild, and he ought not to cease to produce in a certain Gild just because he has secured shares in it.

What sort of forces and incentives could there be which, without depriving a man of his resource, would tend not to leave the purpose of a producing body to be determined by men who were not themselves producers in it?

Suppose an average man ceases to produce in a certain Gild. That fact ought not to involve him in destitution, and it ought not to leave him related to that Gild in exactly the same way as if he still produced in it. His position could therefore be this :—

A. He would retain shares in that Gild, but it would no longer pay him wages or salary ;

B. Those shares could be taxed by the Gild, according to either

1. the length of time during which he had produced in it, or
2. the proportion of its shares which was already held by men who no longer produced in it ;

## C. He would not

1. vote in that Gild, or
2. profit by any rise in the value of its shares which occurred after he had ceased to produce in it.

(In explanation of C 2. it should be added

(a) that if those shares in a Gild which were thus retained (by men who no longer produced in it) were to keep none the less exactly the same value as they had just before these men ceased so to produce, too many members of a Gild might be tempted to wait for a rise in the value of its shares and then cease to produce in it. The value just after a shareholder had ceased so producing might therefore be determined, not by the value just before that, but by the average value over a certain preceding period.

(b) that a pertinent question is : " Would he lose by any subsequent fall in value ? "

If he had been a producing member for a certain period, perhaps he might not lose at all. If he had not, then he might either

- i. lose according to the actual fall, or
- ii. be taxed on his shares as the Gild might determine.)

D. If he wished to realise he could compound his claim to interest from his Gild ;

E. He might be able to transfer the share itself, though perhaps

1. the transference would have to be done through the Gild, and
2. the transferee would have to be a past, present, or future member of it ;

F. If he ceased to produce in Gild A and began to produce in Gild B, then, either

1. after a certain period, or
2. when his total holding in both Gilds amounted to more than a certain sum,

he might either have to

1. (a) relinquish, or  
(b) compound his claim on Gild A, or else
2. be taxed as Gild A might determine.

G. As to bequest, although the question of it is pertinent to that of the use of property, its thorough discussion would involve too much detail at this stage of the controversy. I think I have said enough to involve the main characteristics of property, and we may for the present leave this other question to the judgments of a strong State and a human Gild.

In most of what I have been saying about the position of our imagined average man, I have deliberately put things in a harsh and rather inhuman way. The normal relationship between such a man and a Gild would be a far more human and untechnical thing than these details might imply. But the very fact that this relationship would be human may make it necessary to protect the unpopular man, and therefore I do not mind insisting that the State, while ready to enforce the Gild's right to tax, should be none the less ready to enforce a member's claims against the Gild.

How far will this economic resource enable a man to determine his own life as a whole? How far is it adaptable to economic circumstance, and how far will he himself be able to determine its use?

He has, besides wages or salary,

A. Interest on his shares, and

B. the power of getting money in exchange for his principal, either

1. from the Gild, or

2. through it from a past, present, or future member.

How then, in regard to a man's power to meet his liabilities, does membership of my Gild compare with that of your Political Body?

Your man gets wages : so does mine.

Mine gets (besides that) interest on his shares and the power of realising his principal : yours gets neither.

Not only is your man forced by law to pay rates and taxes, but his share in a Political Body is not a separate item of property that he personally can use. He can't use his share in the L.C.C. to pay his tobacconist. He can't satisfy his creditors by proving that he pays rates.

*Abnormalis* : But he shares in the public benefits which result from the use of rates and taxes.

*Normalis* : So does mine, and his additional economic resource adds to his real power of ensuring that public benefits are justly distributed by those who use the money that was his. Your man gets nothing that mine does not : mine gets much that yours cannot. And the thing which is peculiar to mine is just that without which nothing else is real.

Moreover, we saw that the normal man desires something determinable at the heart of life. In his Gild he does find a calculable economic resource ; his vote, voice and effort can all help to shape the Gild's purpose ; the



Gild is personal and responsive to himself ; it lies at the heart of life. And so, to fulfil and corroborate his human passion to create and to choose, he finds here in the Gild a human environment, akin in its essence to the very material of his craft ; and thus, both in men and in things, and in both as they interact one with the other, he can seek to make real the form which his own self understands—he can practise for his own destined part in the eternal task.

So far, then, our controversy has been fought on ground the least favourable to me—that of property in industrial capital as distinct from property in land individually owned. Even on that ground my creed can give me the victory. Need I go on to speak of that other sort ? Will there be need, O mine enemy, that I sound a peal on the magic trumpet of the Vine and Fig-tree ? I trow not. The flower of my troops I need not use ; my skirmishers have been enough for thee. I will only shout after thee from the heights they have stormed, “There is a book who runs may read. Reopen thy Arthur Young : ‘The magic of property turns sand into gold. . . . Give a man the secure possession of a bleak rock, and he will turn it into a garden : give him the nine years’ lease of a garden, and he will turn it into a desert.’ ”

*Abnormalis* : Why vauntest thou thyself, *Normalis* ? Thy victory is not yet won. My Old Guard shall stand firm : the Old Gang is prepared to receive cavalry. I shout back, “Why shouldn’t a man find ‘secure possession’ in State-tenancy ? Economic Rent is undodgeable, therefore all rents should go to the State.”

*Normalis* : Let us postpone the economics of the Shavian Ricardo for a later stage in the argument, and consider now the incentive to effort.

I shall postulate two things in regard to its action on the State-tenant. You will not need to question these, but if you did I should refer you to the general experience of business men, especially of those whose task it has been to estimate the effects of certain changes in rent on the energy of tenants and on the goodwills of businesses.

I shall postulate: First, in regard to State-tenants as a class :—

If State-tenancy, as distinct from separate private ownership, were the predominant type of relationship between a man and a piece of land, and if it were desired to maximise whatever incentive to effort might result to this class as a whole from such a relationship, the State must take particular care, in its periodic alterations of rent, not to skim off *all* that increase in the value of the holding which the tenant could not prove to be the direct result of his own effort.

Secondly, in regard to State-tenants as individuals :—

If it is desired to maximise the incentive to the State-tenant as an individual, the State must not only treat him in a certain way, but it must keep set up in him a conviction that it will continue so to treat him. It is not enough that the State itself should believe that it is just ; the individual tenant must believe so too.

Now can you assure me that the State can avoid such dangers as I have suggested? If it cannot avoid them, then State-tenancy, no less than tenancy of that present

sort which you yourself repudiate, will tend to deprive the average tenant of his incentive to effort.

*Abnormalis* : I do assure you.

*Normalis* : Then I will assume with you that it would be possible to devise for England such a scheme of State-tenancy as would maximise whatever incentive to effort might result from such tenancy in a country where it had been set up as the predominant type of land-tenure.

*Abnormalis* : Good. Now with such a scheme why should not State-tenancy prove every whit as good as ownership by separate individuals? In a civilised community the individual must be restricted somewhere.

*Normalis* : True, but there is this essential difference between that scheme and mine :—

My State says to my man : “ You, John Smith, have come to be so related to this piece of land that you stand as near to being the absolute owner of it as English legal theory allows. In coming to be so related you have not broken any existing law. If in the using of this piece of land you shall break any such law, you shall be liable to fine or imprisonment, but, unless you become bankrupt, the disposal of the resource itself shall be left wholly to you. You shall be reckoned responsible for what you do, and if you are fined or imprisoned for breaking any existing law, you shall be able, if you choose, to draw upon your resource in order to meet the circumstances in which the legal penalty may involve you.”

Your State says to your man : “ You, Adam Brown, have come to be so related to this piece of land that you

hold it subject only to the pleasure of the town council. In coming to be so related you have not, so far as the council has as yet ascertained, committed any act, whether as user of land or in any other capacity, which has as yet led the council to regard you as not a desirable person for it to accept as its tenant. So long as neither your use of this piece of land, nor such of your general behaviour as may become known to the town council, shall fail to seem reasonable and proper to it, you shall remain a State-tenant. But if, either in the use of this piece of land, or in your general behaviour, you should fail to seem reasonable and proper to the council, it shall be able either to deprive you of this piece of land, or else so to alter, at its own pleasure, the conditions on which you hold it, that you shall be practically forced to give it up."

*Abnormalis* : But surely Adam Brown may enter into such an agreement with the council that it cannot, for let us say five years, alter the conditions on which he may continue to hold the land.

*Normalis* : First of all, even five years is not enough, if Arthur Young is right, to ensure that the average man will not turn even a garden into a desert. But even if it were, would such an agreement be the normal sort? Would it be really open to the average man who needed the resource?

Suppose that it would ; suppose an average man to be State-tenant on such terms. Can he, even so, dispose of the land to meet his liabilities?

*Abnormalis* : Why not?

*Normalis* : Well, suppose he can. Won't he, even



so, be compelled, in his search for a transferee, to reject the offers of all who do not happen to seem, both in their use of land and in their general behaviour, at least as reasonable and proper in the eyes of this particular council as he himself had managed to seem?

Moreover, will the same conditions continue for the new transferee? And will they continue for five years, dating from this transference, or only for the residue of the five years permitted to the former tenant?

If these conditions are not certain to continue, won't Adam Brown's resource lose in market value?

Indeed, even if they are certain to continue, the fact that a prospective tenant, in order to be permitted them, must first manage to seem reasonable and proper to the members of this particular council, will not only lessen the market value of Adam Brown's piece of land, but make it far more difficult than it need have been to use as an economic resource.

And the very fact that the council cannot remove Adam Brown for five years, even if during that period he should happen not to please it, might all the more potently induce it to get a bit of its own back, as it were, by putting a few difficulties in the path of Brown whenever he might desire to dispose of his land.

Finally let me refer you to the prophets. The Fabian Society has issued an essay called "The Revival of Agriculture". Peasant-proprietorship is discussed in it, and here is a quotation: "There is also no means of getting rid of an incompetent peasant proprietor except through the Bankruptcy Court".

There you are, you see. That's just it. When people

begin to tell a man to be content with State-tenancy, what they very often have in mind is the delightful ease with which he may be removed if he doesn't happen to use his land in the way they think proper. Indeed, one is almost tempted to suspect that prophets such as these worship order before responsibility, tidiness before freedom and human dignity. If some chance busybody or even if a man's enemy manages to get on the local council, how convenient for him to be able to suggest that some fellow he has heard of is not being quite so efficient or so tidy, not even so respectful and docile as it is only proper and right that such a fellow should be. How can any man stand up against meddlers and tyrants if they themselves are able to dictate on what precise terms, or even whether at all, he may be permitted to keep that very economic resource which may be all which enables him to keep a decent foothold? Let him be subject to the written, definite laws of the statute-book, but don't leave him at the capricious mercy of anybody and everybody who happens to manage to get on some local council. Don't let in, as your substitute for the squire, some narrow bureaucrat or industrious meddler who may very often lack half the squire's humanity.

Democracy to-day is a mere phantom, and political power will never be real in England without economic resource. You may go on repeating with your lips such sayings as "What the average man wants is not ownership but security," but you will find in your heart of hearts the conviction that in England to-day there can be no security but in ownership—ownership very widely distributed; ownership normal to the citizens of an

Associative State ; ownership as near as possible to being absolute ; ownership subject to no conditions whatever save those contained in the definite prohibitions of laws which bind all citizens alike.

Now let us get back to your Shavian Ricardo. Bernard Shaw gratuitously assumes. . . .

But most of that we have heard before, and we may well leave our two friends yet parleying within the gate.

It is difficult not to suspect that the creed of Normalis has given him the best of the controversy ; that although he is no economic or legal specialist the root of the matter is in that central creed of his. That for things of everyday use an art native to our country will be recaught when demand is real and when Englishmen produce in independent fellowship : that out of this glorious soil of property grow both the arts of peace and the military virtues—coalescent fibres in the enduring heart of man : of that and much besides he would perhaps have been able to speak if we had kept the patience to hear him longer. But the cardinal facts of property are not very far, we suspect, from where his finger has been pointing, and this passion to create and to choose, plain in our own first instance of a house or a room, just as truly fulfils itself, through different ways, from property in land or the Gild. Hard by the root of it, contends a creative writer now living, there lies the deep and original longing of Man for an “infinity of possibility”. A man desires not to be required to set out at

any particular time, even to himself, all that he may find it in him to do with his own. The State may properly refer him to a definite negative, but it must be careful not to predetermine for him in detail, or require the man himself so to predetermine at any particular time, exactly what positive use he means to make of his property. And it is surely in these two longings—for independence and to choose and create—passions interacting with and corroborating one another, it is in the heart of these and deeper still in that central and God-given right of a man to determine his own life, it is there that the heart of home politics is. Only through this fact can a normal Englishman come to understand to-day the essential characteristics of a real English democracy: only when understanding that can he seize, amid so many vague, wavering, and bloodless dreams of current idealism and theory, some energetic vision.

R. W. T. C.



## CHAPTER V.

### THE ASSOCIATIVE STATE.

THE need of property has now been demonstrated, the problem before us clearly envisaged, and the several solutions most widely-advertised among the dissatisfied in this country have been carefully analysed and their insufficiency displayed.

So much for analysis and criticism : what do we propose?

Our proposition is the Associative State.

By this term is meant an organisation of a people into a society based upon the characteristic idea or principle of association : the constitution, that is, of a determining majority of citizens into a number of sodalities, owning and manipulating the apparatus of life on its material side, framing and propagating ideas about life on its spiritual side. Primarily industrial, but essentially also social and political (these three terms are only provisionally differentiated), such sodalities or Gilds are to be autonomous so far as may consist with the material welfare of the whole citizen body, considered as consumers, and with its cohesion, considered as a Nation-group, are to own as corporations a proportion of their capital, remunerating their members partly in wages or

salary, partly in dividends representing the remainder of the capital contributed by the members.

That the idea of association, so expressed in its organisation, will determine the character of the state proposed, is the essence and the peculiar excellence of our plan.

The Associative State might, superficially, be called an extra-constitutional or extra-political democracy, but since such a determination would suppose a current, confined, and debased sense in the words "constitutional" and "political" (the "constitution" of the people being ultimately of far greater importance than that of the executive; and it not being possible to consider anything as non-political which is vital to the common weal), these expressions are best avoided in spite of their obvious convenience as instantly denoting the principle of the scheme, and the Associative State is best described shortly as an "industrial democracy".

On such a basis, we say, and only on such a basis can an industrial democracy be founded. And only in a state based on an industrial democracy can we look for a real democracy.

It is the purpose of this chapter to explain and to justify this proposition; and that this may be done as clearly and as shortly as possible, the reader's acquiescence will be asked successively in the following three theses, viz. :—

1. The exercise of a franchise, municipal and parliamentary, does not in itself afford scope for such active citizenship as is the end for which political societies are agreed to have been formed. Nor is a state

equipped only with Representative Institutions adequately fitted out with the apparatus of democracy.

2. The City-states (or *Πόλεις*) which in human experience and record have been the political units most favourable to the civic expression of themselves by their individual members, must be established *within* the nation-group, if that group is to be an effective democracy.

3. Since material and spiritual independence and activity in the individual are conditional upon his possession and use of economic utilities, property must be kept distributed. The distribution of property can be perpetuated, consistently with an adequately high standard of productivity, only if industrial undertakings be based on a co-operative principle. The *Πόλεις* within the Nation-group must, then, be industrial, must primarily be Societies of Producers.

(1) *The exercise of a franchise, municipal and parliamentary, does not in itself afford scope for such active citizenship as is the end for which political societies are agreed to have been formed. Nor is a state equipped only with Representative Institutions adequately fitted out with the apparatus of democracy.*

Now it is a commonplace that this country believes itself to be a democracy. History textbooks habitually and triumphantly describe the glorious fashion in which the decks were cleared for the rule of Admiral-King Demos in 1640 and 1688—a regime which was inaugurated in 1832, when the Ship of State first flaunted at the mast-head the banner of popular control. Such rubbish do we

learn in our classrooms, together with a mass of far more accurate and far less vital information as to Anglo-Saxon Ager Publicus, and the probable identity of Mau-pertuis with the farmstead of La Cardinerie. The illusion has been sustained by the plutocracy with amazing success. In the eyes of the average Englishman those wretched French, swinish Germans, servile Russians are all in bondage. He, the cynosure of yearning Europe, alone is free. Well indeed for the plutocracy that this *is* so. They have not as yet succeeded, in despite of much advertisement, in substituting "law-abidingness" for that healthy intolerance of obvious restraint which has been historically our national virtue.

While the altar of liberty has been well tended in this country—while a John Hales has succeeded a John Ball, a John Lilburne a John Hales, a John Wilkes a John Lilburne—that name seems to have prospered the agitators as conspicuously as it has troubled the princes—there are yet two abiding qualities in Englishmen which have proved fatal to the speedy growth of a real democracy among them—too little imagination and too much deference. They are far too apt to welcome a Lettre de Cachet provided that it call itself a charter; and they are far too apt to worship any individual whom a few generations of economic independence have schooled to be charming.

Accordingly the regime of the English oligarchy—the ablest and, on the whole, the most dignified oligarchy the world has seen—has been glozed over with a veneer of paternalism. The Capitalistic Concessionaires have often, if not indeed commonly, appeared in the character of



patriarchs. An occasional Bournville has diverted the public attention from an archipelago of San Thomés; while the more pungent items on the programme of regimentation have borne such attractive and humanitarian labels as "The Children's Charter" or "The People's Insurance".

When the true political history of the English comes to be written, it is to be feared that democracy in this country will appear little else than snobbery tempered by Magna Carta.

But those of the preceding chapters in this book which have dealt in detail with the process of dispossession and the tendencies of current legislation have sufficiently shown that parliamentary institutions—the constitutional independence and immediate sovereignty of the delegates of the ultimately sovereign people—that civil liberty: the right to shout, to scribble, to assemble; that the rule of law, the jury system, Habeas Corpus, the liability of officials to common-law tribunals; that free and universal education (which, it was supposed, would qualify the people for the effective use of the franchise); that an apparently humanitarian spirit in legislation—(which, it is supposed, is evidence of their present qualification for that office of voting)—that all these great and glorious plausibilities can flourish exceedingly in a land where democracy is praised indeed, but another thing is enthroned.

Now the astounding contrast between the popularity of the democratic idea in England and the vanity of English democracy is here italicised for a particular reason. And the reason is this—*that all those liberties*

*and guarantees enumerated above and shown in previous parts of this book to have co-existed and to co-exist to-day with the regime of a virtual oligarchy, are the only and the particular achievements of parliamentary government.* To secure parliamentary initiation has been the sole and the constant aim of Liberalism in England; and that aim has neglected the conservation of economic liberty, has failed to secure the permanence of civil liberty, and has entirely omitted to establish the essentials of real democracy.

"But," some will object, "you have yourself sufficiently met your objection in calling attention to the character of the English people. The failure of democracy to establish itself in this country is due, not to the imperfection of the Representative System as a sufficient medium for the expression of democracy, but to the innate deference and conservatism of the people itself."

Let the reader turn then, if he will, to the United States. The Americans will not easily be suspected of being naturally incapable of democracy. And in the case of America it is believed that the limitations and the dangers of the Representative System, standing alone, will be still more apparent.

Economically, the United States have performed the trick of developing the material resources of their territory with pronounced success. Spiritually, the United States have entirely and tragically failed to develop the civic potentialities of themselves. They have offered cereals to Europe. What contribution, since the Declaration of Independence was issued, have they made to the sum of human ideals? What evidence is there among them

of communal expression, of the fruits of that civic reciprocity which is the basis of political societies? Thanks to the accident of one great man, the United States came into existence. Thanks to the accident of three great men, they have continued in existence as a federation. Since Washington hurled a handful of ragged mutineers into Yorktown, since Jefferson revealed to the American people that Great American People, since Hamilton created and maintained in the teeth of factious opposition a constitutional complex preservative of American nationality, since Lincoln mended the nation which Washington foresaw, and reconciled the spiritual bequest of Jefferson the "Democrat" with the constitutional bequest of Hamilton the "Federalist," the American nation has continued. And what else? Nothing. "Leave me alone," the American has cried. "Let me make my pile. When I have built a garden in the Rockies I will come back and see about politics."

But in the meantime the politicians have been playing havoc with the destiny of the Nation. Never propagandist, the American democracy has spelt out no message even for itself. Determined not to shout like the democracy of France, the democracy of America seems also to have determined not to think. Politics in America have not merely become extra-constitutional; they have become extra-social. To the fact that economic activities, the business, that is, of life, have been conducted in America on an intensely individualistic basis, is due this other fact that in America politics—which, if they are to be the business of the citizen, must have a close, continuous, and intimate relation to the

principal activities of life—have come to be nothing but the histories of specialists.

To-day the American citizen, frightened at his indifference, is desperately endeavouring to express himself in politics, and is discovering that in the words of M. Ostrogorski “a highly developed Electoral System produces a diminution of the citizen’s power”.

The Vote is the only political action possible for the individual, acting as an individual. The Vote allows him to choose politicians; it cannot affect the trend of national life, that is why individualism in America has been a stumbling-block to national expression. Not because the Americans have been making money, but because their money-making had no civic meaning, the Americans have as a nation bequeathed nothing save a warning to the world.

Still, the reader may object in some such fashion as this: “Let it be granted that democracy in England and America has been barren of the fruits which are to be particularly expected from democracy; yet the reason is not that the Representative System is insufficient. It is that in these two countries, for especial and incidental reasons, the Representative System is corrupted. The general control which such a system has exercised over governments: the undoubted fact that, on certain great and notable occasions, during certain brief but important periods, it *has* expressed popular feeling—these considerations coupled with the fact that this system is so far as we can see the sole means of establishing that political condition which was shown to be philosophically admirable in a former chapter—should reconcile us to



its employment, even while we deplore its imperfections."

To which we reply as follows: We do not deny that there is a function for the Electoral System to perform. But we do deny that the privilege of helping to decide whether Muffins or Duffins is to toe the line for Boodle or Doodle respectively in Parliament is effective scope for *citizenship*; and we affirm that for this reason representative democracy is essentially and inevitably, not accidentally and occasionally, barren.

Our imagined plea for the Representative System is useful, however, in that it calls attention to the insidious fashion in which this expedient has asserted itself as not only the best but as the only practicable means of establishing a politocracy. Let us for a moment investigate the growth of this superstition.

In the year of grace 412 an edict of Honourous proffered this genial gift of Representative Government to the seven provinces of Gaul. It is recorded that the gift was refused by a people which trusted for the expression of their corporate sentiments rather to an earlier gift of the Roman Imperium—the Municipal System—than to this novel, if specious experiment in the interest of exploitation at worst, of centralisation at best.

Eight hundred years later, this fatal concession was dowered upon the unwilling people of this—the earliest of the Nation-states in the modern sense of that term. Ominously enough it is as an item in the Angevin programme of centralisation that the phenomenon first displays itself. He was a born aristocrat, an imperialist to boot, who first discovered how entirely profitable an

experiment in imperial finance was this periodical convocation of agents under his ægis. "*Magnum emolumentum est justitia*" quoth Angevin Henry. And gave us juries. "*Necnon et parliamentum*," quoth Plantagenet Edward. And gave us the Representative. Small wonder that the people, content with their shire communities, as the Gauls had been content with their municipal groups, were reluctant to pay the viaticum of a delegate, whose principal function when he got to Westminster was to inform the King in how great a sum they could conveniently be mulcted. Now it is far from our purpose to deny that at times the royal prerogative proved a popular blessing. During the short period of cohesion and activity in the Shire Communitas, the Shire Knights, agents of dynamic and instant constituencies, held in play and in check alike the Crown and the Princes.

But the Shire Courts perished. The Common House was packed by the nobility. And the first period of Parliamentary Activity came to an end.

There was a second—longer, more complete. In process of time the enclosure of the common lands, the confiscation of ecclesiastical lands, and the aggregation of capital of various sorts enabled a certain small and well-defined class to realise itself in the Commons House, and, by taking advantage of dynastic embarrassments, to vindicate itself politically by establishing the political sovereignty of that House, which it packed and directed; then, to the extent to which an oligarchy is more enlightened than a monarchy, and so far as the English oligarchy in particular was able to identify English public opinion

with its own, the Parliament did good work in this country, considered as a Representative Institution. The Commons "represented" the class, which led the mass.

Now let three things be noticed:—

(1) The original function of the Representative Assembly was not to assert the public will, but to gauge the measure of public acquiescence in an essentially non-popular regime.

(2) Parliament in this country has only been really representative when it has represented the opinions of a number of groups, or of a single small and cohesive class.

(3) Parliament can only be representative so far as there exist in the country large bodies of opinion. There is thus an essential incompatibility between the individualistic principle represented by the vote and the communistic principle represented by the delegate. The important point is not "One man, one effective vote," but "One member, one effective constituency". The importance of this point, which has generally been forgotten, may be illustrated by the fact that the term *Domus Communitatum*—translated obscurely "House of Commons"—means "the Representatives of the Communities," not the "Representatives of the Common People".

But the history of the Representative System which we have been noticing calls attention to two fundamental truths. It shows indeed that one pre-requisite to the establishment of effective democracy in England is the re-creation of those natural constituencies which were

finally destroyed in 1885. But it also accounts for the fact that in this country it has never been realised that the effectiveness of democracy will depend on the character of the groups of citizens *not merely as electoral groups, but as nurseries of civic initiative*. The form which English democracy has taken results directly from the fact that, while intolerant of restraint (so that he demanded civil liberty), the Englishman is politically apathetic (so that he was willing to resign the inception and conduct of affairs to the oligarchs).

We reach here a point of cardinal importance, and in order that it may be fully grasped, it will be well to consider for a moment what, apart from tradition, *is* the essential character of real democracy. Commonly, democracy will be defined as "the sovereignty of the people". What does such "sovereignty" connote?

1. Clearly such "sovereignty" will include the efficient control of the public services. So far as the Representative System is an efficient means of choosing an executive acceptable to the people, so far as it expresses public approval or disapproval of the conduct of the administration by such an executive, so far the Representative System is certainly a desirable, probably a necessary, element in the institutional fabric of a democracy.

"Sovereignty" will then include the power of choosing its officers on an electoral (that is, the only possible) basis.

Supposing now that the Representative System is working ideally; suppose that the wastage of opinion and the suppression of interests involved in the non-represen-



tation of minorities have been reduced as far as possible by some proportional system; suppose lastly that the right to say "yes" or "no" to single items on party programmes has been achieved by the institution of a referendum—have we now secured the essence of popular sovereignty?

The contention is that we have not.

Why not?

Because in such sovereignty there are two elements. One is control, the other is initiative. For one we have provided, for the other we have not. A real democracy, while including in its fabric conditions which will secure ultimate popular control of the circumstances of national life, so far as they can be politically governed, also includes of necessity conditions which will favour the maximum of popular initiative in *framing* the circumstances and *directing* the trend of national life.

Now this maximum will itself be conditional upon the maintenance of such a political milieu as will encourage that maximum of *individual* initiative which is compatible with that solidarity and reciprocity of the social life in which and only in which the individual discovers such conditions as permit and encourage the development of his highest, that is to say his civic potentialities. The fullest reciprocity is thus the pre-requisite of the fullest individual development.

Real democracy then is dynamic always and everywhere: not the occasional assertion of an ultimate power by saying "yes" or "no". It supposes not political conditions in which Lettres de Cachet are not possible, not merely that: but political conditions in which the

September Massacres and the Mytilenean Judgment *are* possible. We are concerned here with the nature, not with the justification of Democracy. And we contend that a democracy is not a people left alone as much as possible, but a people acting together as much as possible; not enjoying common immunity, but achieving a common destiny. A free state is a state in which the conditions of free individual conduct are as far as possible guaranteed. But a democratic state is a state in which the inhabitants themselves actively and continually mould the conditions of their life as it proceeds—is, in fine, a politocracy, the ultimately sovereign synod being composed of individually active and independent citizens.

Further, the dynamic force in democracy will depend upon the scope which civic reciprocity—the reaction of citizen on citizen—is afforded by the organisation of the people.

Democracy is principally concerned with the *creation*, not with the representation of opinion. Vigorous opinion in a real democracy will soon indicate itself in the atmosphere of national life, and the Statute Book will not lag far behind the complex of national feeling.

Now here is the crux of the matter. “Representative” democracy *may* secure civil liberty. It is impossible to suppose that it will provide that scope for citizenship (which is an active part in the evolution of national life) which a politocracy must afford. It is to democracy of the parliamentary type to which Maine refers when he declares that “one of the strangest of vulgar ideas is that a very wide suffrage could or

would promote progress, new ideas, new discoveries, new inventions, *new arts of life*. The chances are that it will produce a mischievous form of Conservatism."

Of course he is right: exactly right. But he is not attacking Democracy, but Representative Government—that political arrangement which, while permitting a veto to the inhabitants, yet affords them immediately, constantly, and *locally* no means of creating the circumstances of civic life. The state which Maine assails is Responsible Aristocracy, no more.

Let me recur to that word "locally". For therein lies our key.

The ordinary type of political society to-day is the Nation-state. But it should never be forgotten that the men who created the Nation or Country-state were not Democrats. The debris of the politocratic apparatus which had preceded the Nation-state remained indeed in the new political unit—remained in the local self-governing institutions of the shire. But, remarkably and unfortunately enough, while these local institutions were revived, utilised, and finally warped out of recognition by the Monarchy, that same creative force which had established the new Nation-group on a basis of military allegiance, went on—when at length the inexpugnable instinct for democracy raised its head once more—to ignore completely the ancient apparatus that alone had made that especial political ideal a reality, and which alone could make it a reality again, and preferred to exert itself through the medium of a thing which the monarchy had created for its own purposes. That thing was Parliament.

The exclusive attention which the reviving bourgeoisie gave to the struggle for initiative in legislation in Parliament, through the medium of its delegates, its representatives, its politicians (such was the order of development) meant that it was forgotten that the Nation-state had never been fitted out with democratic institutions.

Why?

Because they hailed this specious Parliament, ready to their hand, and failed to realise that the geographical differences between the old politocracy of the City-state and the new political group which they hoped to make a politocracy, the Nation-state, rendered it impossible to accept the King-created Parliament as a single substitute for the primary democratic assembly—the Ecclesia. The Ecclesia was the Polis: but the Parliament was not, in that sense, the nation. This fatal blunder was the more easily committed in that when times were vital to the future of liberty in England, the mass were politically apathetic, and, as has been indicated, the Parliament *was* in a sense a primary assembly of the politically effective class.

This, then, is the first contention: the Representative System is not democracy because it provides no surety that the conduct of civic life shall be *the business of the mass*.

(2) *The Poleis (City-states) which, in the record of human experience, have been the political units most favourable to the civic expression of themselves by their individual members, must be established within the Nation-unit, if that unit is to be an effective democracy.*



In criticising modern "democracy" we found it radically deficient in the two characteristic excellences of real democracy. It was deficient first in a widely distributed initiative in determining the trend of civic progress. Secondly it was deficient in the corporate or communal expression of civic life in ideas, in literature, in art, in institutions, in public works—in all the various forms which may be taken by things which men achieve together as "political animals".

Now such distributed initiative and such communal expression have, historically, been best exhibited in that kind of political group which is called the City-state. Moreover, since therein are retained and perfected those elements in the historical City-state which were the conditions of its peculiar virtues, the two excellences which we have selected as characteristic of democracy would have been even more apparent in the ideal City-state conceived by Aristotle, the philosophic patron of such kinds of political groups. And the fact of historical occurrence not, at the moment, being material, it will be convenient and useful to consider this theoretic instance alongside the actual.

As the term is used it would not be incorrect to assert that several good and characteristic examples of City-states have been democracies. But those examples which have most obviously displayed the two virtues italicised above have been founded on a servile basis, and have not, therefore, fulfilled the conditions which we have required in a real democracy. For instance, it was a cardinal principle in the ideal of Aristotle that economic activities, except so far as the management of a household

partook of that character, were unworthy of citizens. But since men had to live, and since, that they might live, there had to be butchers and bakers and candlestick-makers as well as artists in the liberal occupation of leisure, a distinction was drawn between civic and servile occupations, and consequently between citizens and slaves. The ancient world never faced the problem which is confronting the Nation-state and which is now under consideration—the enfranchisement of a mass of politically free but economically dependent artisans with the essential scope of citizenship. In the City-state livelihood was made easy for the slave, enfranchisement difficult. In the Nation-state the proletarian may easily record a vote, but is often in want of subsistence.

Within, however, the restricted area over which it was distributed, citizenship in the City-state was *real*. Not in our sense a democracy, it was in our sense a politocracy. Each individual was in actual and constant contact with the different phases of social and political life. Each was in a sense a "public man". He had been in office: or was actually in office: or was qualified for office. He might watch a Phidias at work. He might walk in the Agora with Socrates. He might dispense justice as a Heliast. He might, indeed he must, pronounce upon or propose executive or legislative measures in the Ecclesia. The red rope drove the Athenian into the midst of affairs as potently as the red tape of our own administrative departments keeps their working a jealous and distant secret from the Englishman. This *intensity* of Athenian citizenship bred a precocity, a productivity, a sublimity

of civic life which is unexampled in history. The Athens of the century after Marathon is still relevant for all the world. The United States of the century after Yorktown has not become so yet.

A comparison between creative effort in the Nation-state to-day and the creative effort of the city-state is especially interesting and instructive in that the world of the immediate present seethes with an intellectual curiosity : a vigorous play of mind upon everyday things that is essentially Hellenic. *Fervet opus*. There have been centuries of enthusiasm : there have been centuries of apathy. But the present is especially, as was the fifth before the Christian era, one of immense and unusual activity. We may build no better than Iktinus. We may grave no better than Dioscorides ; but it may be pardoned to the nations if they look around them with a peculiar sense of achievement at a tamed and domesticated universe. The Atlantic is threaded. The Simplon is tunnelled. The air itself is being tried. Be forgotten, Gardens of Babylon ! Pharos, hide your flame ! Tumble, Pont du Gard !

If the achievements of the world to-day, however, be compared with those of the ancient world, and particularly with those of the City-states, two essential defects will be discovered. The creative output of the moderns will be found lacking in quality and lacking in coherence. It is not that the immense quantity of things produced have seemed to many discontented ones to be strangely lacking in occasional sublimity. The sublime may make its appearance in any age. It is that, when the vastly increased population of modern states is considered, the

mere immensity of productivity loses its early magic ; and there succeeds to wonder in our minds a miserable sense that there is no widely-distributed standard of excellence in the things that are produced ; and further, the conviction that such excellence has failed to stamp itself on these things principally because creative effort is anarchic and, for certain reasons we shall consider later, not stimulated, inspired, spiritualised by an effective and corporate demand. If an idea is to be widely fertile of action, it must be communicated to a certain area of mind. It is from a certain critical and structural atmosphere of corporate opinion that any great creative vigour will as a rule proceed.

We attribute what is lacking in modern creative effort to an anarchy of idea and an atrophy of initiative in demand.

It is urged, then, that the secret of this failure of the Nation-state will be found in its inability to provide the essential conditions of civic life which in the City-state impressed just those qualities on the creative work of its citizens which are lacking in the creative work of the nations.

What, then, we next proceed to ask, are the conditions which most fundamentally differentiate the City—from the Nation-state?

They are two in number—one is economic, the other geographical. It will be convenient to deal with the geographical difference first. The City-state was necessarily of limited—we should say to-day of very limited—size, for we are more familiarised with states of the dimensions of Russia or Brazil than with those like San



Marino or Andorra. The citizens, says Aristotle, should be acquainted with one another's natures. A single view-point should embrace the whole extent of the territory. The voice of a single herald should reach the ears of all the citizens gathered together in the assembly.

Now it is this cardinal point of *size* that is the characteristic virtue of the City-state. It is this restriction of geographical extent which brought every citizen into close and continuous and dynamic contact with every phase and department of civic life. It is this which brought their artists, their men of letters, their philosophers to speak a communal language. It is this which taught every citizen to familiarise himself with that language, and which not only elevated the general standard of achievement, but imbued civic life from top to bottom with the same passion for something which should be worthy of its own genius.

The City-state was thus a politocracy, because its citizens were always *doing vital things together*. This constancy and intensity of corporate action is impossible in the Nation-state.

True enough that, the Ecclesia being no longer practicable—i.e. the citizens being prevented from taking an actual and personal part in affairs—the Parliamentary System has been erected in its place, and the “*carrière ouverte aux talents*” permits the specially qualified for office (in theory) to attain it.

True enough that in the Nation-state every citizen enjoys a common code of laws; owes a common military allegiance; pays (broadly speaking) common taxes; speaks a common language; reads newspapers published

by the wealthy for their common entertainment and instruction—and so on. But (and this is especially important) *the Parliamentary System does not replace the Ecclesia*: the loose corporality engendered by common geographical, legal, and (to some extent) social conditions can never be compared—since none of these are the work of the people who are experiencing them together—to the intense corporality of the Polis.

But states exist for the development of this corporate reciprocity.

The conclusion is obvious. Locally, within the nation, men, if they are to enjoy civic privileges, must be afforded scope for corporate reciprocity. They must be organised into cohesive units, each of them as a small community to live together with that required intensity of communal activity which is impossible to a community of forty millions inhabiting thousands of square miles, every man of them alone.<sup>1</sup> Full and active citizenship

<sup>1</sup> Compare M. Ostrogorski on the failure of American democracy: "The second factor . . . which impelled the American to herd with his fellows in the party fold is one of the primordial facts of American social existence—the isolation of the individual. True, nowhere is man more unfettered in his movements; nowhere can the individual launch forth more freely; nowhere are political, and, to all appearances, social barriers brought so low as in the United States: and yet nowhere else is man reduced to that atomic condition, so to speak, in which he finds himself on the western side of the Atlantic. . . . The American lives morally in the vagueness of space; he is, as it were, suspended in the air, he has no fixed groove. The levelled society, without traditions, without a past, in which he lives, does not provide him with one. To construct, or wait for the construction of new permanent grooves, the American has neither the time nor the inclination. Obeying the national genius he creates mechanical ones, in the form of associations, as numerous and varied as they are superficial, but all revealing the uneasiness of the American

demands an immediate political environment in which the individual will may be organised into a form which, at once controlling and expressing, may be dovetailed into the whole political complex. "In our modern states," remarks Hegel in reference to the point we are emphasising, "the citizens have only a limited share in the universal business of the State, but it is necessary to permit the ethical human being a universal activity over and above his private end. This universal, which the modern state does not always provide for him, he finds in the Corporation."

A distinction has above been drawn at some length between civil liberty and political liberty. Here it is further urged that the antecedent to true political liberty is a kind of municipal liberty, not exercised as an inhabitant of a town—towns are too large—but as a member of another kind of municipal body: of *what* kind we shall see in a moment. "If the family is the first basis of the State, the . . . estates are the second," says Professor Bosanquet; "the Corporation is a second family to its members. It is the very root of ethical connexion between the private and the general interest; and the State should see to it that this root holds as strongly as possible."

But if it is in such a corporation that the individual

mind assailed by a sort of fear of solitude, and, again, by the desire felt by the individual to give himself a special status in the midst of the community at large."—"Democracy and the Party System," pp. 409-10.

It will be noticed that this observation, while it affirms the principle underlying the present scheme, and in particular calls attention to the enduring instinct in man for association, yet carries a solemn warning as to the importance of constructing civic groups on effective and natural bases. To this point the argument will shortly turn.



will is best expressed, it is in the corporation also that the individual will is best controlled and trained into harmony with the general will; "licked into civic shape," we might say. If, as has been urged, every one should be secured by society in the power of getting and keeping the means of realising a will which in possibility is a will directed to social good, it is obviously the business of the institutional system not merely to guarantee that "power" but also to increase that "possibility". That "possibility," it is suggested, will most naturally be increased if the citizen be trained in a corporate milieu. It is no good removing the alternative possibility of the individual will being directed toward social evil. Morality cannot be enacted: and if property, the power in question, be taken away, an attack is made on spontaneity, and moral motives are destroyed. The citizens must make possible but difficult the uncivic life, if it is to make possible and easy the civic life.

Now the "civilisation" of the individual will best be achieved if the ethical idea of tempering one's own natural instinct for self-advancement by the consciousness that such self-advancement will only be good when it harmonises with the general will of that section of society at any rate with which the individual is in most immediate and continual contact,—if this idea be crystallised into institutions. Such an institution is the family. But this idea is not the basic principle of the family: nor is his family the central fact of a man's life. This idea would be the basic principle of the corporation we propose as the political unit, and this corporation would be hinged upon the central fact of life.



It is impossible to abolish competition or its necessary symptom—profit. But you can abolish its accidental symptoms—cheapness and destitution. It is not indeed desirable to abolish competition itself—so vital a condition of social progress is it. But if competition between groups be substituted for competition between individuals—so much tribute being paid to modern economic conditions—the poisonous consequences of free competition will be eliminated so far as nature will permit. Modify the instinct for self-advancement into the instinct for group-advancement: don't stop the fight, but give a man brothers to raise him lest fighting he should fall: train him to play for his team that the game of progress may go on.

The principle has long been recognised in this country, but the means of carrying it out in the education of the young has been a public prerogative of the possessing classes. It is the essence of the public school spirit, but the public schools are expensive. Still, in the limited area to which its practice is confined, the principle has been powerful for good. To be a Rugbean, to be a Wykehamist is to have learned to expand your ego; to achieve things shoulder to shoulder with other men; to feel the thrill of fellowship. That is the secret of "tone," which is a symphony of deeds. Further, an individual has no history behind him, merely ancestors: no destiny, only descendants. A corporate body has history and has destiny. This is a fine value in fellowship. The voice of John Ball, speaking from the Village Cross, inevitably recurs: "Ah, my brothers, what an evil doom is this, to have none to love you and to speak with you, to be with-

out fellowship ! Foorsooth, brothers, fellowship is heaven and lack of fellowship is hell : fellowship is life and lack of fellowship is death : and the deeds that ye do upon earth, it is for fellowship's sake that ye do them, and the life that is in it, that shall live on and on for ever and each one of you part of it, while many a man's life upon the earth from the earth shall wane."

The place of associations—whether they have been the school of a man or the regiment of a man or the banded enthusiasts of an idea—looms big in history. There is no time to dwell upon the power of group action : upon the thousand who held the Gate of Greece, or the thousand that built the Kingdom of Italy. In some countries the instinct for association has survived more obviously than in others. It is especially a force in France. It has especially been beaten down in England. But all the world over tribe and totem, maegth and mir, the clan of the mountain, the city of the plain, the free companions of the old world, the freemasons of the new, show that, if the exploits of heroes be excepted, men are most fertile of idea and of achievement, most active, most human when they are banded so. They were local levies that resisted the Poll Tax of 1380. It was a Community—that of Mousehold Heath—that best resisted Tudor tyranny. Not unwisely did Stein commence the work of preparing the War of Liberation by municipal reform : the reorganisation of the groups.

High and trenchant things have been achieved by the extension of the self-regarding spirit : political things, having a message for wide communities of men. But we would insist that there is a limit beyond which that ex-

tension cannot effectively be carried. The great soul of a Goethe may refuse to confine fervent affection to that small fraction of humanity that speaks his tongue. Just as an Alexander may sigh for more worlds to conquer, a Francis of Assisi may sob for more worlds to love. More commonly a patriot Arnst may sigh for a land which shall father all his race. But it is not the racial, any more than it is the cosmopolitan impulse in which the altruistic enthusiasm of the individual most generally manifests itself. Most frequently a man loves his neighbour in a valley: his comrade in a deed: his companion on a journey: his fellow at a bench.

The German Empire is founded, but the wide levels of Pomerania welcome home no dweller by the long blue Swabian Sea. The cosmopolitanism of capital is breaking down that great quarantine of frontiers, but the Northumbrian still walks a stranger in London Town when Newcastle United have won through to the Cup Final. A man has better opportunity to distinguish out a shire or a town than to realise a country. One knows his Wessex. One his Manchester. But "what can they know of England, who only England know?" How many a patriot has breathed that has never realised his country, but whose heart has often enough leapt within him before the dear serried lights of his own familiar city, or the ruddy sunset burnishing the hills of home?

I would not be understood not to value the Nation-group. It is no insult to the body to ask whether the organs be sound within it. I say create the lesser group that the greater may be vigorous. Display the littler vision that the practised eyes at length may view the



grand horizon. Teach men to adore the gonfalon. Then they will learn the meaning of the Jack.

My illustrations have been geographical. But it is not meant that the required groups are to be geographical. It is indeed now time to consider what must be the basis of the groups within the *Societas Societatum*.

(3) *Since material and spiritual independence and activity in the individual are conditional upon his possession and use of economic utilities, property must be kept distributed. The distribution of property can only be perpetuated consistently with an adequately high standard of productivity if industrial undertakings be based upon a co-operative principle.* The *Poleis* within the Nation-state must, then, be industrial; must primarily be Societies of Producers.

It was pointed out above that the second respect in which the Aristotelian differed from the Nation-state was economic in character.

It consisted in the different status of economic activities, and the consequently different importance of the manipulation of the means of production considered as an incident in civic life.

The vital hours of the citizen of the City-state were those of his leisure—the hours, that is, which he devoted to such occupations as the study and practice of the fine arts: the study and practice of letters: philosophical disputation: above all, tenure of administrative office and attendance at the primary assembly of citizens. All such activities and only such activities were of strictly political importance, in that they were supposed to ad-



vance that virtuous life for the sake of which the City-state had been founded.

But the modern societies are more interested in the play of mind upon matter than in the play of mind upon men and the minds of men. Their ideal is rather progress than perfection. They aim rather at the practical elaboration of life than in its theoretic improvement. For the citizen to-day the vital hours are not those of his leisure, those in which he occupies himself in such activities as the ancient would have deemed liberal, but those of his business, those in which he practises the habits of what the ancient would have deemed a servile mind.

Generally speaking, the citizen to-day is engaged in "production". Like the Aristotelian, he is "making"—and making new things. But the object and the fruit of his labour are alike of a different kind. The Christian Church has blessed manual labour. "Laborare est orare." The business of the world has changed in character.

Well then, for good or ill, labour-power in modern states is spent on the creation of utilities : place utilities ; time utilities ; form utilities. Many have regretted that this manipulation of and traffic in material things occupies so considerable a proportion of the average man's time ; "Let us have a little less elaboration : a little more soul," they cry—"Let not so much time and energy be wasted in furnishing life with so many unnecessary conveniences".

We may agree. But at present we must accept the fact that the hinge of life to-day is production : that the

ultimate asset for every man is labour-power. By his ability to use that labour-power he stands or falls. By the manner of his use of that labour-power his citizenship is judged.

In this sense, then, property—the private ownership of those means of production on which labour power is exercised—is the necessary apparatus of real citizenship. This point need not be elaborated here, as its vital importance has been discussed in the preceding chapter. The words of a recent writer are relevant and illuminating.

“To control the production of wealth is to control human life itself. To refuse man the opportunity for the production of wealth is to refuse him the opportunity for life: and, in general, the way in which the production of wealth is by law permitted is the only way in which the citizens can legally exist.”<sup>1</sup>

There follow from this proposition two consequences:—

1. Seeing that the business of life and its controlling factor is in the Nation-state production, it is as producers that the individuals composing it must exercise their civic activity, and the business of production must be inspired with a civic significance.

2. Seeing that neither—as has been demonstrated by previous analyses in this book—that neither the capitalist nor the collectivist system of organising productive work is consistent with the maintenance in it of a civic character, and that, in general, such a civic character can only be given to the activities of life if communal intensity be established by means of the local organisation of such ac-

<sup>1</sup> Belloc, “Servile State,” p. 1.

tivities on an associative basis, it follows that citizens must be organised into associations of producers.

The fact that industry, under modern conditions, is rather a number of uninspiring processes than a series of fascinating crafts cannot alter the fact that a man's footing depends upon his labour-power—whether he be engaged in carving an Aphrodite or splitting an almond for a macaroon. If indirectly it is as a consumer also—that is, as exercising effective demand—that the individual affects the material conditions around him, directly it is as a producer—as exercising the invention, or the skill, or at best the vigour with which Nature endowed him—that he is powerful, since it is his labour-power which earns him his resources and so renders effective his demand. That act of life must be the hinge of life in the performance of which the individual exercises this power.

The hinge then to which the corporations must attach is economic effort. The central, though not the only activity of the Poleis which are to be constructed within the Nation-state, must be production. To the character of the shire communities must be added that of the Trade-Gild. The only real democracy is an industrial democracy, and the only real industrial democracy is the Associative State.

Yet the word "co-operation" has rarely been used in this book so far, and for an excellent reason. That form of co-operative enterprise which has been successful and which is familiar—the association of consumers for the elimination of the profiteering middleman and the maintenance of their own emporium, sharing out profits as

dividends, has no essential resemblance to the co-operation in production which we advocate. From the fountain-head, the inspired enthusiasm of Robert Owen—which preferred the belief in the “Law of Functional Adaptation” (as it has been called) to the old blind confidence in invisible harmonies of Nature, which advised the abandonment of *Laissez-faire* and a new trial of paternalism, and which extolled the magic of fellowship and displayed the hideous dross of the cash-nexus—from the great enthusiasm of Owen two channels have sprung, one to broaden out into a dead, full-tided sea, the other to bubble at the first in a stripling torrent of inspiration, but soon to dry up for lack of tributary sympathy. The one, the tradition as inherited by the Rochdale pioneers, the ideal of Howarth, Greenwood, and G. J. Holyoake, has culminated in the Wholesale Societies of England and Scotland, which had respectively in 1910 capitals of £4,815,465 and £2,836,573; sales of £26,567,833 and £7,738,158; profits of £547,760 and £294,823; and output of manufactures £6,581,310 and £2,435,313. The other, the tradition inherited by the Society for Promoting Workmen’s Associations from Owen on the one hand and from Buchez on the other, preached and propagated by the group of the Christian Socialists—Maurice, Ludlow, Neale, and Hughes—has lately seen, after what seemed an entire and final collapse, an insignificant revival, and now employs rather more than two millions of capital and transacts a business of about five and a half millions per annum.

Nevertheless it is the message of the Christian Socialists and not that of the Rochdale storekeepers that has rele-



vance to-day. It is not denied that associations of consumers have been a success, and that associations of producers have on the whole been a failure. It is maintained that the former associations are not at all to the point; while the hopes wherewith the latter scheme was originally propounded may be resumed once more.

It was, for Mrs. Sidney Webb, the peculiar merit of the Rochdale pioneers that, reminiscent of Owen's attempt to devise a means of adjusting the supply of commodities to the demand without having recourse to competitive trading, they accepted Howarth's scheme of disposing of their profits by the method of dividend on purchase: "a unique democratic foundation to an industrial organisation". The "democracy" of the Consumers' Association, which conferred representative self-government upon customer-members, is contrasted by this good lady with the "individualism" of the Associations of Producers, which were the ideal of Maurice and which erected an autonomous and self-interested oligarchy by vesting the control of the productive enterprise in those engaged in producing. More, indeed. You must not, she asserts, call the societies after the Rochdale tradition "associations of consumers," and those of the Christian Socialists "associations of producers," "the real distinction between an association of consumers and an association of producers is not a matter of distribution or production, but resolves itself into a question of administration". "I do not wish here to imply," remarks the distinguished authoress of the "Co-operative Movement," "that the ideal of self-employment and profit-sharing is unworthy of acceptance or impracticable in

realisation. But I maintain, if it be morally right and economically expedient that the actual workers in a concern should control the policy, pocket the profits, and bear the loss, then you cannot limit the application of this principle to the workshop, you must introduce it into the distributive departments of the Wholesale Societies. . . . In short you must root up and destroy the special work of the Rochdale pioneers—the democratic foundation of the present movement ; you must withdraw from the present 1,000,000 customer-members the rights of representative self-government, in order to endow some thousand storekeepers and assistants with the privilege of fighting for their own and each other's interests, instead of acting in the not less honourable rôle of servants of the community."

I have quoted at some length for two reasons. First in order to show, by means of its advocate's own words, that peculiar and innate fault in the Co-operation of Consumers which renders it barren of promise for the future ; and secondly to call attention to an old fetish of all bureaucrats and of the Webbs in particular, which I propose to discuss in a moment. The words are the words of Miss Beatrice Potter ; but Mrs. Sidney Webb has out-Pottered Potter long since, and it is time the wretched superstition came to an end.

But first of Consumers' Associations. They provide no solution.

I do not contrast the paltry sums quoted above with the annual turnover of firms upon an individualist basis. I do not insist upon Mrs. Webb's own admission that "voluntary associations of consumers are practically re-

stricted to the provision of certain articles of personal use, the production of which is not necessarily a monopoly, the consumption of which is not absolutely compulsory and for which the demand is large and constant". It is certain that the associations of consumers will never drive the individualist producer from the field.

The futility of these societies is due to a greater and a more patent cause. They presuppose the continuation of the Wage System.

What is the vision of the Consumers' Association, so far as it possesses any vision at all of social regeneration? It is the organisation of society into associations of consumers with the object of removing private profiteering and, first protecting the consumer against the producer, ultimately educating the consumer to consider the interests of the poor producer. In the meantime the producer will be protected, as he is protected now, by his Trade Unions.

While, however, it is true that a man reacts on society as well in buying as in making, as well in consuming as in producing, you are making an absurd mistake in forgetting him as a producer and concentrating the lime-light upon him as a consumer. For effective demand is conditional upon the possession of effective resources; effective resources will only be possessed by the ordinary artisan if wealth be redistributed, and the permanent redistribution of wealth over the required area depends, as has been shown in a previous chapter, upon the abolition of the Wage System.

But the Rochdale System permits the producer to remain a wage-earner. The cart is put before the horse.



It has, however, long been certain that this form of co-operation was not going to inflict the smallest breach in the walls of the Capitalist stronghold. The principal lesson to be derived from an examination of this bastard species of co-operative effort—in what sense co-operative I know not—attaches to Mrs. Webb's preference for the "democratic" basis of the Consumers' Association, as against the "individualistic" basis of the Society of Producers. For the ultimate question is provoked—what is real democracy? and what are the conditions which must precede its establishment?

According to the bureaucrats, Democracy connotes the authorisation of a suggested programme by the individual members of a society exercising the power of recording a vote. Notice, then, that the degree of influence which an individual so "enfranchised" can hope to exert will vary in inverse ratio with the size of the society in question. Yet Mrs. Webb grows enthusiastic over the Consumers' Association because within its power of a microscopic character is more liberally distributed than is the considerable influence exercised by each member of the Society of Producers. This is the first of Mrs. Webb's heresies, and its peculiar virtue will be seen to lie in recalling to our minds the futility of universal suffrage as the apparatus of democracy in the Nation-state.

But further it is a corollary of the preceding analysis that, if the industrial associations are to fulfil the political, social, and spiritual office required of them, the most direct control of them must be that by those, and by those only, who exercise the labour-power responsible for the goods they respectively produce. They must in



short be Societies of Professionals. Not capital but labour is directly responsible for production : and since it is the citizens and not wealth or machinery which the State exists to develop, attention must be concentrated on labour-power and not on capital-power or machine-power. Perhaps in any case the extent to which machine-processes may be extended is limited. Certainly as capital becomes disintegrated and, so to speak, depersonalised, its function in production, while inevitable and permanent, will tend to appear less direct and immediate. Certainly it is the business of society to tilt up the balance on the side of machine-power and capital-power and to weigh it down upon the side of labour-power, so far as may be possible, that so production may be humanised, spiritualised, brought into a more close relation to current human efforts and ideals. *Since the essential point is present work and not past work, it is the producers, and not the consumers, who must control the industrial group.* The Society of Producers is knit by a continuous and active principle, that of power : the Association of Consumers is knit by no principle on earth save that of one man, one vote—and the value of that we have sufficiently debated.

The proposition, then, is the Associative State. But, clamour the bureaucrats, Societies of Producers have failed. Well, well, let us see whether we are not now in a position to answer why. Some of the causes of their failure were obviously accidental or temporary. Such were want of custom and want of credit. Some causes loom large only in the public imagination and are in reality easily surmounted. The success of the

co-operative stores has shown the absurdity of supposing that the entrepreneur, so far as he is desirable or his success has been due to honest methods, cannot be replaced by a salaried official. Remember that the Gild-officer will be a member as well as a salary-earner : and if a salary-earner can organise sale, he can also organise manufacture. Let me quote Miss Potter. "The goodwill of a great community, the political power and social influence equitably earned by the able and energetic official of a powerful and growing organisation, have proved as efficient a form of remuneration as the intensive gains and lawless expenditure of the capitalist entrepreneur."

But, ultimately, the difficulties that matter are two in number.

(1) Co-operative Societies of Producers have not been able to maintain themselves during their apprenticeship in autonomous production in a hostile atmosphere. The ideal of the Christian Socialists required for its realisation, as Miss Potter remarks of the ideal of Owen, "a science which had not arisen : a character which had not been formed : economic and legal conditions existing nowhere in the purely aristocratic (plutocratic) countries of Europe".

(2) Co-operative Societies of Producers, the members of which have been educated in an individualistic and capitalistic milieu and have not in consequence been taught to think co-operatively, have tended to grade themselves, as nations have graded themselves, and to reproduce within their societies the worst features of the system they intended to eliminate.

Hence Professor Leroy Beaulieu, remarking the fact that

Societies of Producers, forgetful of the vision, have become, when they have endured, transformed into societies of capitalists, conceding to employees a share in profits, that in this country, indeed, such degeneration has been normal, refuses to believe that co-operation is other than an instrument of transition and denies it the name of a principle of social reform.

Hence Mrs. Sidney Webb, with her Gambetta-like faith in universal suffrage and her Cromwellian distrust of democracy, decides that the first objection to profit-and-loss-sharing "as a wage system or as a substitute for a wage system" (the equivalent illustrates rather well the characteristic inability of bureaucrats to appreciate spiritual distinctions) is an absence of principle, and that "the mere fact that you band together ten, twenty, fifty, or a hundred manual workers and set them to perform the same operation does not decrease this difficulty". If Mrs. Webb could conceive of this nation as a people at work under the worst possible conditions instead of as a mass of labour-power waiting to be "not ignobly" engaged by a capitalist or a municipality, she would be able to appreciate the value of labour-power being exercised on the same commodity as the best of all principles of cohesion, and the spiritual glory of a system which would lend a vision to what must generally be but an uninspiring process.

But these two stumbling blocks are ultimately reducible to the one ultimate historical difficulty that *the capitalist, in order to regiment and cheapen the labour market, has broken down the nuclei of association and shattered the fabric of fellowship*. Industrial democracy

has been levelled out of the world by the *peine forte et dure* of the wage-system. But if democracy is even possible for nations, it is a *fortiori* possible within groups. If you deny it for the latter, you deny it for the former. The instinct is there but it has been crushed and hidden away: the reality was there but it has been crushed and forgotten. First, then, the instinct must be revived: then the reality will be reconstructed. Then the democratisation of industry will bring in its train the spiritualisation of production. Slaves make stools. Citizens make thrones.

The purpose of this book then is to indicate the absolute need of creating a body of English opinion in favour of an associative ideal capable itself of creating an associative spirit; and it is from such a spirit that any definite structural achievement must proceed. We would revive the instinct for association in the art of life, in order that, when the power of capital is curbed, the wage relation modified, economic resources redistributed, the opportunity may not be lost for the building anew of the old institutions.

We would that England were built so; for it is in truth no vain, no unloving, no un-English thing—this dear, human gospel of fellowship.

N. J. S.



## CHAPTER VI.

### THE PROCESS OF REPOSSESSION.

IT remains now to suggest the appropriate means by which a society founded upon a distributive economic basis can be developed out of the existing anarchy of temper and organisation.

But before attempting such a discussion, we shall in the interests of clearness first briefly review some of those basic facts which emerged in the previous chapters.

First, then, society in its present condition is intolerable for the mass of men ; its economic structure is unhinged, and it is itself socially degrading and politically dangerous.

Secondly, it is unstable ; it is necessarily in a state of inequilibrium, and must therefore either end in a revolution, the force and extent of which will grow with delay, or must else continue to proceed rapidly along the lines already discernible and so lose grip of that energy which alone can save it from degradation. Such a process would almost certainly be in the direction of giving a basic and legal operation to those *de facto* economic relations with which the present legal system, framed as it is for other circumstances, is finding itself in continuous and increasing conflict.

Thirdly, just as an analysis of contemporary economic phenomena leads to the conclusion that at bottom the present economic breakdown proceeds from the divorce of the mass of the population from the ownership of the means of production, so also an examination of the course of history must convince the inquirer that our characteristic social and economic evils were created and accentuated in precise correspondence with the continuous and increasingly rapid dispossession of the average man, who, as we have shown, was finally left without property and brought into a position of dependence upon the increasingly few people into whose hands ownership had accumulated.

Fourthly, if human liberty is to be restored in any real and lasting sense, if political life is to be made universally possible and not left as a mere leisurely hobby for a few, if production is to be sanely moulded to men's needs, then—whatever else may be required—at any rate the life of the average man must rest on a solid economic basis: in other words, property must be restored to him. The tide must be deliberately and courageously stemmed and reversed. That evil process, by which the dispossession of the ordinary man was accomplished and his degradation completed, must give place to a process by which he shall be enfranchised with property. The common man must cease to be a mere machine to grind out toll for those who condescend to use his labour. He must become a free man in a free state, and be clothed with all the habiliments of citizenship.

Such, in outline, are the main conclusions that we have to bear in mind for our guidance when discussing

the appropriate means by which the kind of society we desire can be made a concrete reality.

In the search for such means we must realise one cardinal factor very clearly. It is this. If a society is suffering from a disease which is mainly economic, the curative force we employ must itself be economic, and must proceed from principles and motives contrary to those which give rise to the disease. The disease, so far as it is economic, is the concentration of ownership in a few hands. The remedy must be the diffusion of ownership into many hands, into as many as possible. Thus on its economic side the first problem may be stated as follows: How can we defeat this tendency to overpossession by the few, and achieve the enfranchisement in severalty of the many?

Now this project, though in its nature simple and easy of comprehension, is yet surrounded by many difficulties and obstructions. And the chief difficulty is one that resides not in the nature of the project itself but in the temperament, outlook and vitality of the people who should carry the matter through.

It is impossible to regard society as a purely mechanical organism, the movement of which can be precisely calculated by observing the power and direction of the various forces that operate through it; it is foolish to regard it as the result of a purely fortuitous evolution, moulded by powers and agencies which come we know not whence and operate as though in a predestined way. Human institutions are neither such a thing as the first nor such a product as the second. On the contrary they embody and give objective expression to the ideas,

motives, purposes, and desires of the mind ; they reflect the soul of the nation. This is not to say that the effect is always in exact correspondence to the desire, or that the human will may not have sometimes to battle in vain. But it is to say that so far as institutions have been created, and can be created by human agency, to that extent are those institutions, to that extent is the structure of society, a reflex of the ideas and principles which move the nation as a whole or at least the preponderant weight of opinion within it.

Thus it is that the first and greatest difficulty in the way of reform is one that springs not from any inability to frame adequate and wisely-adjusted measures that would achieve it, but from the apathy of the people who should desire it. Indeed, it is useless to hope for any rugged effective action without some fundamental change in the whole complex of that mental outlook and spiritual attitude which is the curse of men who have long succumbed to the evil influence of industrialism. Now this kind of difficulty, if it can be made to yield at all, will yield to one force only. That force is propaganda—in season and out. Therefore we must assume in the people such a residuum of vitality as can respond to the appeal and at length carry the project through. It is absurd to imagine that any mere legislative ordinance can re-shape society upon a distributive basis without the people caring for it, or without their understanding what it means. On the other hand, a nucleus of strong and battering opinion will tell in the long run ; just as Fabianism would have become a real force and not the tool of capitalism, if only its principles could



have withstood such an easy deflection from its intended end. Every far-sighted capitalist studies his Webb now, and will probably, as he grows in wisdom, subsidise the schemes both of Webb and of the Fabian Society.

The prerequisite, therefore, of any sound reform must be the awakening in the people of a violent taste for it. They must be brought to realise that if they value their independence and liberty at all, they must make a stand in their defence. And further, they must realise that on the economic side the basis of liberty is property. It is far too late in the day now for anyone to pretend that any good can come from "permeation". Permeation to-day can mean no more than a surreptitious foisting of bureaucratic schemes upon the people without their noticing it—at best a kind of magic, an abracadabra. A century of that kind of reform may perfect vast schemes of machinery, but it will leave the mass of men in precisely their previous condition as political beings and as citizens. Nothing living will come of it but a monstrous brood of vampire Plessingtons, male and female; and schemes for 'Payment in Kind' and 'Continuous Occupation' will leave behind them a bloodless people.

The first step is to stir up opinion; the second to devise some scheme of legislative remedies which may at any rate begin to embody it.

What, then, are the basic principles on which such legislation should be founded?

Every ameliorative expedient in legislation must conform, if it is to be real and lasting, to one great test—must be directed to one great end. The test is this: will the proposed reform deflect ownership from the

hands of the few to those of the many? Or will it leave the congestion of property undisturbed? In other words: will it tend to strengthen the ordinary man on the side of ownership and independence, or will it put him in a legal position of greater dependence upon those few who own either directly as owners, or indirectly as mortgagees of the State?

There are thus two sides to the purely legislative problem. On the one side we have a mission which is of immediate incalculable moment. It is to attack, discredit and, if we can manage it, to defeat by every possible means any legislation which, while making it increasingly difficult for the few who control the wealth resources of the country to be disturbed in their possession of such wealth and control, undermines at the same time the possibility of any resistance by the many to a process which involves them in circumstances of permanent degradation and unceasing labour. We must defeat any measures which abolish legal freedom of self-control, which fasten on the great mass of the people new bonds of legislation, and which rivet those bonds with threats of economic ruin.

Such dangers are by no means remote. Recent legislation (heralded, it is true, by sociologists as wondrous and a first instalment of the kingdom of heaven) has been precisely of this nature and is making straight for a widely-diffused servility. There must be no traffic with anything that will clamp down upon society with legal rivets the existing industrial system; with any proposal which would make it a punishable crime for the workers to bring pressure to bear—whether upon the legislature,

or upon those financial interests of which the legislature is fast becoming the instrument, or upon society at large by active resistance to the evil.

But it will not be enough to stop legislation which makes for slavery; we must urge on legislation of a kind that will establish barriers against it—which is framed not to weaken the defences of the average man but so to strengthen them that he may regain his lost position as a citizen. At the same time we must continuously undermine the dangerous power of concentrated capital.

What, then, is to be the formula of the legislation we would propose?

At first it will concern itself with putting the worker in a position to increase his wage-return. But this will be merely by way of temporary amelioration and to tide over the transition. Its ultimate aim must be so to remodel the economic framework of society that the worker will become a property-holder, an owner of the instruments of production in the sense that he will normally be able to gather into his own hands a proper and just share of that increment of advantage which makes up the amount of new wealth that is produced by every properly directed economic transaction. This result will be achieved when, and only when, he himself owns directly some share in the instruments of industry. His present relations with them are merely external or physical—the reverse of personal. A change in those relations is the means by which we hope to transform the labourer from a mere industrial machine whose value is measured solely by his output, into the citizen whose faculties and whose



work will possess both an economic, a political, and a social significance.

To realise vividly not only how possible it is but also how simple it would be to effect this one great end if once we were determined upon it, it is first necessary to dispel some common notions about the nature of wealth, its production and allotment.

Many people suffer from the delusion that to alter the direction or to change the receptacle of wealth in any way is to attempt something artificial or even unnatural. It is nothing of the sort. What is there pre-ordained in Park Lane monopolising all the comfort and Mile End cramped with cold and torn with hunger? Nothing but that in our present temper, and with our prevailing ideas, we will have it so. When utilities, or the wealth which stands for them, are parcelled out among the members of a community, the manner of the parcelling out depends almost solely on the principles that underlie the legal and economic complex of a system, and very little indeed upon the real deserts of these members. Why is it that in England the peasantry have disappeared, but in other countries flourish and are a strength to the State? Only because England through carelessness, or stupidity, or the viciousness of its rulers, made easy their expropriation while other countries determined on their survival. There was nothing natural or predestined either in their expropriation or their survival. Simply this—each society would have it so, and history is there to prove it. What, then, is there to prevent future wealth and prosperity being diverted from its present course and into the hands



of a determining majority of the citizens? Nothing but English apathy. The effectiveness of our policy will vary precisely with our determination.

Now this consummation is not only possible but easy. The wealth of any community is not as a whole a thing solid or divisible like the bricks in a wall. The transference of such property is not a process similar to that by which one man hands bricks to another. The great business of wealth-creation and wealth-getting does not in its essence consist in some men snatching their wealth from others and prospering at their expense. On the contrary, in a well-ordered community the creation of wealth ought to mean and does mean a gain to everybody. This gain depends ultimately upon *the exchange of utilities*. Thus wealth is in its essence much more a system of relationships than any corporate thing. The acquisition of wealth normally means an exchange by which each of a number of men gives what is to him less useful, and gets what is to him more useful. Thus every exchange implies at least some advantage on one side and, if it be free, no disadvantage on the other. In this light we can easily understand how it is that wealth is a fluid thing, constantly being created and constantly in process of dissolution.

Now how does this bear upon our contention? It has this very important bearing. We must adapt our means of redistribution so that they shall be able to cope with a situation which is in the major part dynamic and only in the minor part static. In other words, we must bear in mind that we have rather to regulate a flow than to make a bodily and corporeal transference.

The conclusion to be drawn is therefore that the *direct* concern of reform legislation will be that of determining the conditions of wealth production rather than those of its actual distribution.

Wealth as a whole cannot be redistributed as though it were so many bricks or even so much coin. It is not coin, but a complex of relations. Thus the key to the legislative problem resides in the fact that in most cases *the creation of wealth proceeds from the exchange of products or utilities*. Now note well what may happen in such an exchange. Unless the exchange be artificial or forced or meaningless both parties gain *some* advantage at any rate. Otherwise there would be no motive for the exchange and consequently no exchange. But the total advantage may be divided into varying parts. A may get a very large share of it and B a very small share—just what remains when A has taken his. Or the position may be reversed and B may get most of the advantage and A only just enough of it to make it worth his while to exchange at all. The key to our problem then lies in *so arranging that balance of advantage which is the increment of wealth that it will weigh down on the side of the small man and tilt up on the side of the big man*.

Most people when they hear the phrase "the redistribution of property" picture to themselves the forcible taking of present property and advantages from those who possess them and the parcelling of them out among the members of the community. We do not intend anything so stupid and ineffectual. Redistribution can be effected only through the diversion into other channels, from those into which

it would flow if social arrangements were to remain as they are now, that property which is either now being or which will be created. Wasteful irrigation of a small area must give way to fruitful irrigation of a large area, an area as large as possible. And this must be done mainly by altering to this end the balance of advantage which is incident to every wealth-engendering transaction, that is, to every exchange of goods or utilities.

In any one nation every transaction of this kind may be either between individuals or between the State and individuals. To-day the whole force of opinion among sociologists and political thinkers is overwhelmingly in favour of what is known as State-action. It is favoured because, it is asserted, State-action is the most effective and the only effective action. And when it is referred to in this sense it is usually State-action directed towards taking the control of the more important instruments of production out of private and unsafe hands and placing them under public authority.

We shall have to diverge a little and devote a few pages to this method of campaign.

Whether the aim be to vest such property in public officials (as in the collectivist scheme), or in severalty among the citizens of the state (as in ours), in both cases it is to wrest from the present few holders of congested property the *power* to reap the major part of that advantage which results from the exchange of commodities and is the motive for it, and to transfer that power and control to some other body, in the one case to the State, in the other to individuals. The immediate aim is in

both cases the same, so that the same test may be applied to either.

Let us first consider the methods of those who would transfer such property to the State—the methods advocated, that is, by those who profess Collectivism.

The means they propose are three: two are academic, and one is practical in the sense that it is the one actually used. The two academic methods are Confiscation and Direct Purchase.

Now Confiscation requires such an extreme violence of temper that we may regard any proposal to resort to it in England as entirely visionary and devoid of substance.

Direct Purchase is the method of fair exchange. Extensively used it would certainly effect its object. But it is not, and in the nature of things cannot be extensively used for the simple reason that at present the rate of taxation cannot be so raised as to bring in the amount necessary to purchase cash down the instruments of industry in any of such larger concerns as railways or coal-mines. If, for example, £20,000,000 were spent yearly on direct cash purchase of railways, the process would occupy three generations. And how does anyone imagine that this amount of money could be raised yearly by taxation over and above the some hundred and eighty millions at present squeezed out in taxes already monstrously high? But if the money could be so raised, the method would achieve its object and the big capitalist would be ultimately ousted.

There is the common objection that you do not dispossess the big capitalist merely by offering him pound for pound. When the transaction is over he remains, it



is said, in a position as strong as before. But that objection has no force, and for this reason. Wealth is not made up wholly of property in the means of production. Those instruments are unquestionably the more permanent elements of wealth; more especially so is land. But a very large part of wealth is made up of immediately consumable utilities, whose substance is transient and whose value is far more fleeting. Consequently, were the State to purchase directly the instruments of production, it would take over the more permanent and socially the more important forms of wealth in exchange for utilities which, while equally valuable as utilities, are made up largely of the powers to command consumable products, and are therefore without that element of stability which attaches to the more permanent forms of property. That property which the owners would receive would possess a present value as great as that which they sold, but it would be far more unstable and liable to destruction. In no economic system can the proportion of the more permanent kind of property exceed a certain point. It follows necessarily that where the State (for whatever end) gathers that proportion into its own hands by purchase, it must transfer to its former owners by way of exchange property which is not of that kind, but is merely the power to command consumable commodities. State-purchase on such lines would thus gradually expropriate the present owners of such property, and the State could then either keep it in its own hands as in the collectivist state, or distribute it in shares among the citizens as in the distributive state.

But neither Confiscation nor Direct Purchase is the present method of social reform. Our modern reforming politicians prefer to use the third method, which is called Nationalisation or Municipalisation by Loan.<sup>1</sup>

It is that in name, but in practice and result it is nothing of the kind. It is the method by which some industry or activity is taken over, and paid for not directly and immediately out of taxation, but gradually, and by means of a loan in the money-market. In this way the State guarantees to the original possessors not merely its value at the date of purchase but also a substantial extra sum by way of a bait to induce them to surrender control of the property. To raise this interest and the principal the State pledges itself to tax its citizens for the extra amount. Now it is not merely that the State gains nothing, but also that the original capitalist is left in a far stronger position than before.

Before the State takes over the control of the industry, the owners of it are subject to the possible, and it may be probable, insecurity which is due to labour troubles, new inventions, alterations in commercial demand, loss of utility, and so forth. Any one of these causes might result in a serious depreciation of value and perhaps in ultimate loss. But after the State takes over the concern, the capitalist is secured by his guarantee of ultimate repayment and intermediate gain; security is now his, whereas all the old insecurity is the State's. The whole plant and output may become valueless, but the State

<sup>1</sup> Since this was written there has appeared from the pen of Mr. Belloc a valuable analysis of the policy of nationalisation by loan. It is to be found in his "Servile State" at page 145 seq.

will still be under an obligation to pay its capital value, and, until that is paid, interest thereon.

Thus no solution is reached by merely transferring the legal ownership of the means of production from individuals to the State. The transfer, if it is to be effectual, must be such that either immediately (as in Confiscation) or gradually or ultimately, at any rate at some stage in the process, the capitalist is ousted from his dangerous command over capital and from the control over men and society that such capital gives him.

Therefore, although you may devise means for securing State ownership or individual ownership on a wide basis, such a policy will be of no avail whatsoever if it still leaves the big capitalist undisturbed. It is therefore a delusion to imagine that you can eliminate the capitalists merely by raising loans from the capitalists themselves—loans which must be paid back in full and with interest. Either the State may keep up the prices and pay interest on the loan out of the proceeds of the industry it buys out, in which case the State gains nothing whatever; or it may reduce the price of the commodities so produced, in which case the profit will not avail to pay the interest and the deficiency will have to be made up by taxation. In either case the State suffers. We know that as a matter of fact this kind of transaction is regarded by the lenders themselves as merely one species of safe investment. The capitalist is not dispossessed, but the State makes itself his interest-collector, puts the whole of its coercive power at his service, and goes out of its way to transform a chance economic advantage into a national obligation of indefinite duration. That definite doctrine of



the Collectivist, the "nationalisation of the means of production, distribution, and exchange," is represented in practice by something no more definite than Alice's cat.

Of the three methods, then, open to the Collectivist, Confiscation is not seriously proposed, Direct Purchase is impracticable, while the third method, that of Loan, leads, as we have seen, not to a collectivist regime but only to the strengthening of the worst elements in a society already hag-ridden by the big capitalist. He himself has long since tumbled to the value of this policy, and now offers no opposition beyond that which will secure him better terms.

The only means by which the Collectivist could achieve his end are precisely the means he refuses to use, but it does not follow that we must be confined to the same means and therefore subject to the same disabilities. Our end, like his, is to deflect property from the big capitalist, but ours, unlike his, is to deflect it not into the hands of the State, but into those of the citizens, of as many of them as possible. When the State attempts to gather all property into its own hands, it can but use its own instruments; but when its aim is rather to diffuse property among the citizens, it is not restricted to its own machinery, but can use each and every member of the state as its auxiliary, and can, in achieving its end, make each a centre of activity and attraction.

Now the difficulty that attached to the activity of the State when operating in its own interest does not attach to the same activity when operating not in its own interest, but in the interests of its individual members.



And the reason is that not only is wealth a fluid thing, an ever-moving stream of relationships, but that such relationships exist primarily between individual and individual or groups of these, and *not* between individuals and the corporate person of the State. So that in altering the distribution of property among the members of the state, one is but attempting to modify relationships that already exist; whereas in the attempt to establish State-ownership on a universal scale, the design is not to modify or to govern an existing relationship, but to create, out of the ruins of it, a new thing which can hardly be called a relationship at all.

This difference is of such moment that it puts the possibility of the establishment of an economically distributive state on quite a different plane from that of the possibility of setting up a collectivist state.

It is impossible, of course, and it would be foolish, to attempt to sketch with any particularity of detail the precise method to be followed. There is no precise rigid method. But the main principle may be enunciated clearly enough, and that is to operate upon, to deflect, to modify and finally to govern and to rein that complex of relationships which constitutes wealth and which is the basis of the possibility of national progress.

Every increase in wealth results from an exchange of utilities; and the precise amount of the increase is to be measured by the increments of advantage or net gain of such exchange. Now in any society the distribution of the wealth in process of creation is determined by the proportions into which this increment of advantage is divided and the channels into which it flows. Therefore,

in order to secure a wide distribution of property *it will be necessary to modify our legal and economic arrangements in such a fashion that where there is an exchange of utilities between men whose wealth is disproportionate we can counterbalance the superior advantage of the man of greater wealth, and make the balance of advantage rather tilt up on his side and weigh down on the other side.* The capital and property which is in constant process of detrition and dissolution is ever being replaced by the new wealth that is simultaneously created ; and that new wealth is, as I have shown, made up entirely of that increment of advantage which is the essence and the motive of every exchange of utilities. It follows as a necessary consequence that a proper modification in economic or legal conditions which would *alter the destination* of that new wealth which is always replacing old wealth, must ultimately create a large number of small owners in place of a small number of large owners or capitalists. And the rapid increase in the area of ownership would mean a corresponding decrease in the number of men whose condition is proletarian.

Now the extensive economic irrigation can be effected, as we have said, simply by modifying the conditions governing both the proportions into which are divided the newly-created increments of wealth, and the destination of such proportions among the parties concerned.

There is nothing sacrosanct about these conditions. They were gradually devised and developed so as to make it easier for the big man to accumulate wealth and to buy out the little man than for the reverse to happen.

Let me quote what may seem a trivial instance. In

1688 the national monarchy was finally routed and the rule of the landlords began. In the same year the Commons passed a measure which enlarged the landlord's old right to distrain for rent or for breach of covenants into a right to distrain and to *sell* the goods. It seems a matter of very minor importance, but in fact it has had stupendous results and has enormously strengthened the hands of the landowners and weakened those of the tenants.

It is in minor details of this kind, which when taken in a single instance are of little import, that there lies a vast significance when they turn the scale one way rather than another in matters of daily occurrence. The cumulative effect of this change would be difficult to over-estimate. Similarly all our most important and most frequently recurring transactions are governed by rules which make the manipulation of property and the process of accumulation much easier for the big man than for the small man—the sale of land, family settlements, the flotation of companies, of loans, the opening-up of new sources of wealth, and so on. Yet we have through long usage grown so accustomed to those things that it very rarely strikes us that they could be otherwise. To-day accumulation with the intent of acquiring property is regarded by most men as a thing only for rich people to indulge in. In Stock Exchange transactions, the purchase of Government securities, the setting up of new concerns, in all these things the small man finds himself heavily handicapped as against the expert financier. The latter is playing with loaded dice, and his position is so strong that he can nearly always recoup his possible or actual



losses by duping the public. And this will continue to be so until public opinion resolutely demands that when Brown the big capitalist and Jones the artisan invest in the same concern, the conditions shall no longer be arranged so as to give Brown a two-to-one chance and Jones only a ten-to-one chance. It is to such details as these that the policy of reversing the process of dispossession would address itself.

It is possible to distinguish different parts of that policy.

So far as legislative enactments can give expression to a policy and mould society in accordance with it, so far would legislation of the kind we desire be directed to three obvious ends.

First, it would aim at entrenching with legal restrictions the man of small property, so as to make his disturbance as difficult as possible consistently with his position as a free citizen.

Second, it would aim at so altering the conditions of commerce and industry as to make it increasingly difficult for the big man to attack and undermine the resources of the small man, and increasingly easy for the small man to gather into his own hands by legitimate exchange the more permanent wealth of the big man.

Third, it would aim at such a complete alteration of the methods and conditions which govern the flotation of new investments as would secure the allotment and price of shares in such a form as to make them more attractive as an investment to the man with small earnings, and less profitable to the man of great wealth.

First, then, as to guaranteeing the small man. This



is a matter which has been entirely neglected by our jurisprudence and ignored in our social arrangements. The small man is completely at the mercy of every wind of misfortune. The slightest pressure of events, the most trivial lack of success, and he is faced with the necessity of surrendering all he possesses to his landlord, or the money-lender, or in the bankruptcy court. I have already drawn attention to the time and circumstances in which the landlord's right to distrain was enlarged into a right of sale. There is a crying necessity for such legal provisions as will make it impossible for creditors to seize upon that minimum of property which is the basis of the average man's place in society as an independent man and as a citizen. Whether it be land or whether it be shares in an industrial company, *the source of family livelihood must never, under any pretence whatever, be subject to seizure or distraint.* This will not involve an injustice to creditors, for under such an arrangement creditors would see to it that they did not pile on obligations to the extent of completely extinguishing the debtor's resources. This is the law in many countries, and a revolution of this kind was introduced when Gladstone turned the Irish landlords' power of ejectment at will into a power to evict only on certain conditions. That enactment enormously strengthened the position of the Irish peasantry, and gave them a basis upon which they set up such a vigorous attack as has enabled them eventually to become owners of what was most bound up with their lives. Such guarantees for the small man might very easily, were we bent upon having them, be embodied in special legislation and administered in courts set up for that very purpose.

The second end would be to alter the present conditions in which it is easy for the rich man to disfranchise the poor man of his reserve, and to secure such conditions that in the interchange of property the advantage will lie with the small man in securing a small share and against the big man in securing a big share. With our present arrangements it is almost impossible, and in practice unheard of, for large properties to get into the hands of many men. What invariably happens when a large owner loses his property is that it gets into the hands of a still larger owner. Thus we have going on in our midst a progressive transformation by which the accumulations of small men come under the control of the few big men and are finally gathered into their sole possession. You can observe this process going on daily among us. When the owner of one big concern buys up a rival concern, the public are told that the motive and result is greater efficiency and less waste. The public are easily duped. The big owner is able to buy up on terms favourable to himself because he plays, as I have remarked, with loaded dice. His position is such that, say, five shares in a company are of greater value to him than seven shares to Jones, provided he can get a great number of shares under his control and Jones can secure only seven. Consequently with the increased advantage which, say with 1000 shares in his possession, he has over 500 men who own two shares each, he can afford to buy out the 500 men at a price below that which each share so gained is worth to him as part of an accumulation. When this happens hourly, it is little wonder that we see on all sides the rich man growing richer, and the

moderately-placed man losing his position in society and his control over his circumstances, and gradually sinking into the mass of those who own nothing at all. It is not merely that the big man can offer a better price than the small man can afford to refuse; it is *that he can offer an artificial price*. This he can do because the nearer his accumulations bring him to the commanding position of a monopoly, the greater his chances of being able to charge a monopoly price for his goods. For in our society no check or disadvantage whatever is imposed upon monopolies, and in consequence they flourish exceedingly. But besides charging a monopoly price, with a majority of the shares in his possession and with monopoly profits, he can further so manipulate the market as to be able always to unload them at a high figure and to buy them in again at a lower. In this fashion the public is indefinitely swindled and its resources drained.

But these conditions, under which it is possible and profitable for the few big men to buy out the many small men, are not inevitable. It is equally possible to reverse the situation—to make it possible and profitable for the small man to buy out the big man.

This can be effected by making it more attractive for the small man to buy a small share in a business than for the big man to buy masses of accumulated shares.

For example, if a company's profits were taxed not, as they are to-day, on a scale determined by the aggregate of profit, but in proportion as its shares were distributed amongst few owners or many, and with a very rapid rise where the concentration was excessive, *it would then be*



*more profitable to the company as a whole to have many small shareholders than few large shareholders.*

Nor would this be the only effect. Such an arrangement, which has nothing of injustice about it, would *make impossible those large deals and monopolistic amalgamations* which are now the order of the day. Such amalgamations usually depend for their success upon the amount of secrecy and trickery which can be employed. Rival companies must be blackmailed, 'frozen out,' and so forth. It is therefore necessary that practically the major portion of the scheming concern should be under the undisputed control of one man or a small clique of men. But with companies organised on a highly-distributed basis such swindling would be impossible, and only legitimate and above-board agreements could be carried through, to the advantage not only of the owners but of the public at large.

In the third place and finally, remedial legislation should be framed to the end of making *a radical alteration in the conditions and customs which govern the creation of new businesses and of new sources of investment.* If you will consider modern Stock Exchange transactions, the flotation of companies, the financing of governmental or of local schemes, the issue of all kinds of debentures, bonds, and stocks, you will find that in almost every instance the arrangements and economies are such that it is not open to the man with modest capital to invest at all, while, in all cases, the men with large accumulations are given superior terms and are subject to a much lower scale of charges. We have grown so accustomed to accumulation and investment being a function only of



the very wealthy that very rarely do we find facilities for popular investment on a small scale. But a state of things quite other than this might easily be brought about, simply by modifying the conditions and laws which govern such transactions.

First, e.g., it would be necessary to provide that every new company, as a condition of legal recognition, should offer at least a large proportion of its shares at a small price. To-day this very rarely happens, and when it does, the effect is nullified by other advantages which make it profitable to purchase in large blocks. Another step in the right direction would be to secure by legal enactment that in the allotment of shares in loans raised by public subscription, preference should not be determined by the order of application or by ballot or by amount, but should be given to the small investor, the large investor to be served only when the demands of the small investor had been met. Were these conditions introduced, and they most certainly can be introduced, it would at once check the process of aggregation and set up a process of diffusion.

Such a process might further be strengthened by similar provisions governing the transfer of such shares. All Stock Exchange transactions and conveyances of property are subject to taxation. But existing taxation differentiates against the small transfer and in favour of the large transfer, merely by means of its arithmetical graduation. The incidence of this taxation might just as easily be altered. Let it rest very lightly on small transactions between small men. Let it be graduated at a steep rate where many small men sell their shares to

one man, and conversely let it weigh very lightly upon transactions by which large accumulations are scattered and dispersed among many men.

Again, this process might be strengthened by making the transfer or allotment of shares to many owners more profitable to the middlemen and brokers than the purchase of large blocks of shares by few men. The broker, middleman, and jobber in Stock Exchange transactions performs a very important and very useful function. His customs and self-imposed rules largely govern the distribution and allotment of stock. But in himself he has no particular interest in doing business with the big rather than with the small man. By public enactment, then, we must see to it that his commission on large transactions resulting in congestion and accumulation brings in less profit than large transactions resulting in diffusion. Give him a higher rate for the latter as against the former, and, if this cannot be achieved by mere enactment, make good the deficiency in the small man's commission by bonuses paid out of taxation specially set aside for this purpose.

It will be noticed that, so far, we have considered only the means by which the individual may be enfranchised with an economic reserve, with a property basis. Nothing as yet has been said about the citizen as a member of a society within the state. And yet this is, perhaps, the most important matter of all.

A policy of enfranchising the worker as an active citizen with property will not avail to bring about or to keep stable a free and progressive society, unless at the

same time there be devised some means for securing the permanence of this restored liberty. To provide this protection, it is of the utmost importance that the individual citizen shall have some corporate interest, some corporate environment other than the nowadays remote and impersonal interest which is represented by the State. He must have something more than this; he must be clothed with an immediate surrounding of interests in close contact with himself, and in direct, immediate, and continuous response to his activities. His communion with his fellow-citizens in the state at large, his participation in the virtues and activities on which it is based, and with the virtues and activities which develop therefrom, must be strengthened, and its operation made more lively and effective by a constant communion with a much smaller and personal body of men, united by interests much more restricted in scope, but characteristically personal to himself. Such a body will afford his citizenship that exercise of social control and social expression in his immediate surroundings, and that habitude of framing his interests and directing his activities towards an end and an object which is something more than personal, and for that reason more valuable to himself and to others, without which the exercise of the larger and more intermittent activities in his capacity as a member of the modern state will be of very little value. For, lacking such a close-fitting corporate environment, his civic activity will not be based upon that understanding of the nature of common interests, and that habit of modifying individual action towards an end which is not merely individual, which are essential to an adequate



expression in an objective form of any kind of national ideal or activity. In fine, the citizen of the future must not only be a self-directing citizen with property; he must also be a citizen of some smaller community with the state, some community bound together by a common activity or interest. Therefore, over and above a separate and calculable interest in any industry or concern, the citizen must be a partner in a certain nucleus of common and undivided interest which would form, as it were, the centre of corporate activity. Such a community of interest would join the various members of the body with links other than those of mere self-interest. Upon this basis of common holding might be built the collective management of industry, a management and a control which could not be deflected from its true purpose by motives of private aggrandisement or of personal self-seeking.

In this form industry could be carried on and governed on a Gild basis, and the Gild so organised might be granted by way of privilege a very wide latitude of self-government and control, and in return be under the obligation of having a particular regard for matters affecting the interests of the state at large. How is this to be done? It might be done in many ways, but the most hopeful and the most effective method at present would be frankly to give a legal recognition and force to the controlling power of Trade Unions, to encourage the application of their funds in buying up the industry in which the members of a Union worked, *by offering a bonus on every purchase*, and thus to make it more profitable for the owners to sell out than to keep the shares in their



own hands. In return for such privileges, we must secure by enactment that the Union shall be under an enforceable obligation not to abuse its trust, and, in order to create common interests among the members of the Union in the government of such an industry, make it a condition of such recognition that a large portion of the shares shall not be allotted to individual members, but shall be set apart as belonging to the corporation itself as its economic basis, this portion of the shares to be incapable of alienation by or to anyone. Such, in outline, are some of the means by which a beginning might be made towards establishing a real democracy. But only a beginning.

One warning in conclusion. The most elaborate of schemes, the most far-reaching legislation, the most revolutionary of constitutions, may be necessary and good, but when these are divorced from the people and are alien to their understanding or desire they are but mere husks and will effect nothing. No legislation or governing benevolence or administrative foresight will save a people that has no longing for it. And it is precisely there that the difficulty of those who would restore property to a people is greatest. For property is primarily a spiritual auxiliary, and when its function is not understood it comes to be a mere tyranny. Therefore you cannot restore the institution of property in its full health, as you can nationalise industries, merely by signing a paper at Whitehall; for it is a problem not of mere organisation, but one which touches in its essence the character and temper of the people, and the institutions which express them. It is because we believe that

the real England is hidden away, that the real genius of the people is unheard or inarticulate in the roar of modern industrialism ; it is because we believe that the soul of the nation is still alive and ready to burst forth from the dishonoured obscurity and gloom into which it has been thrust ; it is because we believe these things that we are confident that measures of reform consonant with our nature, and embodying institutions and ideals which once flourished on this soil, will set free again that national activity, and will give scope for the exercise of those virtues which alone can save us from the peril of spiritual destruction.

J. E. F. M.

## APPENDICES.





## APPENDIX A (to Chapter III).

### A NOTE ON MINDING ONE'S OWN BUSINESS.

Mr. Shaw, who was received with cheers, said that . . . the finest thing that could be said of anyone at the end of his career was, "Well done, thou good and faithful servant". They were all born to service, and any man who shrank from his share of that service was a thief or a beggar.—"Morning Post" report of Mr. Shaw's speech at Queen's Hall, 28 Jan., 1913.

PRESENT for any normal citizen are these two perils: the "successful career" and "scientific philanthropy". The popular antithesis between the individual and the community is implied in current political controversy, and is likely to emerge in personal practice as a difficulty in reconciling the duty of promoting the public good with that of minding one's own business. It might, of course, be denied that this antithesis is real, but such a denial is so difficult to vindicate in practice that those whose acts imply it are apt either to pursue their own individual good on the assumption that this good will necessarily involve that of the whole community, or else to become so wholeheartedly their brothers' keepers as to live laborious days in harrying the poor. *the real*

Between Scylla and Charybdis the normal citizen shall not walk unharmed except by taking plain thought; and it would not be right, therefore, that a consideration of current theory should fail to face this apparent antithesis between the individual and the community.

And there is need that it be faced for this further reason. Idealists whose creed is not ours are often enabled to claim a

superior sanctity for theirs by implying that the issue is one of Social Service and Selflessness on the one hand and Property and Selfishness on the other. In former days it was the frequent task of Socialists to demonstrate that Socialism was not incompatible with Individualism,—was indeed the true Individualism. It is reminiscent of those old debates that nowadays a proposal to “keep property out of the hands of the politicians” is alluded to by so many idealists as “Belloc’s Individualism”. And when Mr. Belloc and Mr. Shaw recently debated the question of Property, Mr. Shaw drew cheers from the less discerning among the simple-minded in his audience by assuming the incompatibility of property with service.

Whose good, then, is it that the individual citizen ought to pursue?

It is hard to express that which is true about this without using words in such a way as to provoke certain philosophical controversies which are only very remotely relevant to the central argument of this book.

It will suffice to distinguish between the Good and those Apprehenders (some of them, at any rate, Persons) who are to be discovering and enjoying it. Let us agree to apply the word Good to a certain Arrangement or Disposition of Things—to a certain Form which is to be exhibited in Material.

For a Person to “promote” the Good is for him to assist in bringing about such a Disposition of Things that this Form will be exhibited as completely as possible.

For a Person to “discover” the Good is either for him to come to be aware of some already real (but as yet probably incomplete) exhibition of this Form, or else for him to come to see farther into the nature of the Form than so far as the Form itself is, or seems to him to be, as yet exhibited in Material.

For a Person to “enjoy” the Good is for him to be in such a manner aware of the Form that (whether it is yet otherwise

exhibited or not, and whether such other exhibition (if any there be) is "without" or "within" himself) it comes to be in some corresponding manner exhibited, at least for a time, "within" him.

The Form is "Good"; "the Good" is the completest possible exhibition of this Form in Material; "a Good" is either a particular real though as yet incomplete exhibition of the Form, or else a particular piece of material in which the Form is so exhibited.

When, therefore, we speak of "Any good of any two Persons" we seem to refer directly to *one* good, i.e. the one particular exhibition or piece of material which both the two Persons will each enjoy; and indirectly to *two* goods, i.e. the two particular exhibitions of the Form (one exhibition "within" one Person, the other "within" the other), or the two particular pieces of material (one piece the material of one Person, the other piece that of the other).

Both Persons enjoy the one good: two goods result from their both enjoying it. One of the two goods is "within" one Person, the other "within" the other. These two correspond in some manner (*what* manner it is not necessary to determine here) with the one; and in some cases may not be separable from it, except perhaps in thought.

If this fact were expressed roughly (and perhaps loosely) it might be said that one apprehended good may cause several goods—each one "within" one of several apprehenders. Therefore, when we speak of "the good of two Persons" we really imply two goods.

For instance, beauty in the look of their child may cause beauty to be in the hearts of its parents. Although the beauty in the look of the child may be a means to that in the hearts of its parents, it may also be an end in itself—"an ingredient in the Good".

But when we speak, as we shall have to speak in a moment, of "the good of two persons," let it be agreed that we mean by that *not* the one good (which both Persons each enjoy), but the two goods (one "within" one Person, the other "within" the other) which result from their each enjoying this one good.

When we say "Any good *of* any two Persons is worthier of being promoted than a like good *of* any one Person" we shall mean "Any two goods, one 'within' one of any two Persons, the other 'within' the other, are, when considered as being together, worthier of being promoted than any one good, 'within' any one person, which is like either of these two goods when each is considered as being separate."

This rather long explanation is plainly needed, unless we are to discard altogether the seeming-simple but really difficult terms employed by many moral philosophers. It is, moreover, important to be quite certain of the exact meaning of the terms we use when we speak of "the Good of Humanity" and the like.

We may now run ahead more freely.

The good which human beings in society ought to promote is personal in the sense that persons are to enjoy it, but impersonal in the sense that it does not matter which persons in particular these may be. Any good of any one person is equally worthy of being promoted with a like good of any other one person, and any good of any two persons is worthier of being promoted than a like good of any one person.

No one, so far as he is rational, can doubt this, since it involves a mathematical judgment which is self-evidently true.

If, then, the goods of all men were alike, the sum of the private goods of the human dwellers on this planet would be some eighteen hundred million times worthier of being promoted than the private good of any single human dweller on it. With reference, therefore, to certain doctrines of the superman, it



ought to be kept in mind that, if he were born among mankind, then, just so far as the good enjoyable by him were incompatible with the good enjoyable by men, he ought not to promote it at the expense of theirs unless he knew it to be so many million times worthier of being promoted than the good of the average man. Certainly no ostensible enjoyer exists now whose good is worthy of being promoted at such a cost; though we do no doubt imply, in our treatment of animals, that the "greatest" or "best" possible good of one particular enjoyer, such as a man, is worthier of being promoted than the "greatest" or "best" possible good of some other particular enjoyer, such as a cockroach.

The conclusion then is, up to this point, that so far as the goods of enjoyers are alike, each good is worthy of being promoted equally with any one other. But since goods differ in value, and since even among the members of that comparatively small class of enjoyers, the human race, there does subsist a difference, however small in comparison with the likeness, between the capacities for good of one man and those of another, we shall find it very difficult in the concrete practice of life to balance quality against quantity—to decide what larger amount of a worse good should balance some smaller amount of a better; whether, for instance, two human beings who love one another in the worthiest possible way, ought to sacrifice what is so great a good for themselves, if by so doing they would bring about for each member of the whole human race a good equivalent, let us say, to the pleasure of bathing in hot weather.

In spite, however, of such differences and the practical difficulties they involve, the individual citizen ought to remind himself continually how enormously more important his own claims ought to be before he can be right in preferring them to those of the public welfare.

It is suggested by one of the characters in Mr. Forster's "Howard's End," that supermen are not strictly egoists. "No superman," she says, "ever said 'I want,' because 'I want' must lead to the question 'Who am I?' and so to Pity and to Justice. He only says 'Want'. 'Want Europe' if he's Napoleon; 'want wives' if he's Bluebeard; 'want Botticelli,' if he's Pierpont Morgan. Never the 'I'; and if you could pierce through him you'd find panic and emptiness in the middle."

In other words—if each individual were no less able to promote the good of any and every other individual than he is to promote his own, the average human being ought to spend 18,000,000 minutes in pursuing the public good of this planet for every minute that he ought to spend in pursuing merely his own.

But there must be some ground for our not requiring any such standard of conduct from the individual—for our not regarding it as quite unreasonable (even in the smaller area of a nation) for one citizen even to advise his philanthropic fellow to mind his own business. The ground is, of course, that as a rule no individual has understanding or power of a sort that will enable him to promote the good of even some one particular other individual as effectively as he can promote his own—at any rate during the lives of both of them on earth. Just so far as he has such understanding and power, he ought, of course, to promote the worthiest good, or as much more of a less worthy good as will balance it in value, whether this happens to be his own good or some one else's. Remembering this, he will neither assume that his own particular good ought to be promoted simply because it happens to be his, nor on the other hand will he fail, through aiming at such ends as he is not best fitted to attain, in achieving as much good as possible on the whole. In short—he will act neither as a superman nor as the average philanthropist.

At this point it ought perhaps to be asked what more precisely is meant by the term "public good".

It might mean either :—

- I.—1. the sum of the (particular) goods which are enjoyable by individuals, or
2. the sum of the (particular) goods which come to be "within" separate individuals (each good "within" one individual) as a result of each individual's enjoying those goods which correspond in some manner with these which thus come to be each "within" a separate enjoyer, or
- II.—1. the (universal) good so far as it is exhibitable in particular goods, and so far as such goods are so enjoyable by all the individuals that any individual's enjoying of the goods is like any other individual's enjoying of the same, or
2. the (universal) good so far as it is so exhibitable "within" all the enjoyers that the exhibition of it "within" one enjoyer is like the exhibition of it "within" any other enjoyer.

Let it be assumed, without digression into theology, that in the disposition of things which constitutes that best possible end at which God aims, the particular goods "of" individuals would not be incompatible—that there would be (to use a popular metaphor from music) "a perfect harmony". It might be rash to say that even in such a disposition as that these four possible meanings of "public good" would amount in fact to the same; but at any rate of citizens in any particular community, at any rate of such citizens as they seem to us now, it can be said at once that the sum of the (particular) goods "of" these as individuals (in either of the senses indi-

cated under I) does not amount in fact to the same as the (universal) good "in" which all "participate" (in either of the senses indicated under II). For although the citizens of a community are related in society, each of them is a separate person, and each does his own thinking, feeling, and willing. Thus although two friends, Smith and Brown, may be said to "enjoy in common" in the sense that they both enjoy the same thing (for instance, the same sunrise or the same performance of Beethoven's Fifth Symphony), the enjoying done by Smith is "within" one separate person, and the enjoying done by Brown is "within" another. They cannot in strictness be said to "experience the *same* enjoyment," any more truly than they could be said to "experience the *same* toothache" if Smith's tooth ached and Brown's tooth also ached. If we chose to consider Achefulness as a universal we might say that the same universal was being exhibited in two different particulars—in (1) Smith's acheful tooth and (2) Brown's acheful tooth. But these two particulars, although they exhibit the same universal, are not the same particulars. Smith's tooth is not Brown's tooth, and Smith's toothaching is not the same toothaching as Brown's: Smith's is "within" one Apprehender; Brown's "within" another. Smith may of course sympathise with Brown, and Brown with Smith; and if at one moment Brown feels a toothache and Smith does not, Smith may at a later moment (if he is very sympathetic) come to feel a toothache *like* Brown's. But even then it is not Brown's; Apprehender Smith is not the same Apprehender as Apprehender Brown.

Now when Smith and Brown both enjoy the same performance of Beethoven's Fifth Symphony the Enjoying-done-by-Smith is not the Enjoying-done-by-Brown: and the particular good which comes to be "within" Smith (as a result of the enjoying done by him) is not the particular good which comes



to be "within" Brown (as a result of the enjoying done by him).

The Enjoying-done-by-Smith is not only not the Enjoying-done-by-Brown, but the one may be also not "like" the other. That is to say: the one particular is not only not the other, but, although the same universal may be exhibited in each, one may exhibit it otherwise than as the other does.

We agreed to mean by "a good" either (1) a particular real even if as yet incomplete exhibition of the Form, or else (2) a particular piece of material in which the Form is exhibited.

If we mean (1), the same universal may be exhibited in one instance otherwise than as it is exhibited in the other. If we mean (2), of two pieces of material each may exhibit the same universal; but either may exhibit also another universal which the other does not. In other words: piece A may exhibit only universal  $x$ : piece B may exhibit not only universal  $x$  but also universal  $y$ . Now if one Enjoying is not only not the other, but also not like it, then (since unlike causes produce unlike effects) the good resulting from one Enjoying will be not only not the good resulting from the other but also not like it. So, when Smith and Brown both enjoy the same performance of Beethoven's Fifth Symphony, the good resulting "within" Smith may be not like the good resulting "within" Brown. In other words: (1) even if the universal then exhibited "within" Smith is also then exhibited "within" Brown, it may be exhibited in the one instance otherwise than as it is exhibited in the other; or, (2) Smith's material and Brown's may each exhibit the same universal, but either Smith's or Brown's may exhibit also another universal which the other does not.

If (2) were taken as the fact's most convenient aspect for illustration: when Smith and Brown both enjoy the same per-

formance of the Symphony the universal resultingly exhibited "within" Smith might be called  $x$ , and of the two so exhibited "within" Brown one might be called  $x$ , the other  $y$ .

Suppose that  $x$  is exhibited "within" Smith and also "within" Brown, and that it is exhibited "within" in the one not otherwise than as it is exhibited "within" the other; but that  $y$  is exhibited "within" Brown but not "within" Smith.

Now if (A) the only possible events were

- (1) this performance,
- (2) this enjoyment of it by Smith and Brown, and
- (3) this exhibition "within" Smith of  $x$ , and "within" Brown of  $x$  and also of  $y$ ;

if also (B) this performance were by Non-Enjoyers; and

if also (C) the only possible Enjoyers were Smith and Brown, then "the public good" would be  $x$ . For only  $x$  is exhibited "within" each of the two, and only  $x$  is exhibited not otherwise "within" one than as it is exhibited "within" the other, i.e. nothing more or less than  $x$  is "common" or "public" to them both.

(Perhaps after the above explanation it may be safe for us to use certain terms popular with many sociologists and with some philosophers. When they are used in this chapter they should, however, be as a rule understood in the light of this explanation.)

It may, then, now be said that when both Smith and Brown enjoy, in circumstances such as we have imagined, the same performance, there is in the resulting "individual" and "private" goods an element which is "common" and "public"—the element  $x$ . There is also in the private good of Brown an element  $y$  which is not common to both Brown and Smith.

Now if a good, while being a real, though as yet incomplete exhibition of the Form, does not prevent the completer ex-

hibition of it, it is a "good-in-itself," an "ingredient in the good" (to use two phrases popular with some philosophers). If, therefore, the goods of Smith and Brown were such, they would be worthy of being promoted—each for its own sake and so far as were consistent with the Good. Thus (1) the two exhibitions of  $x$ , and (2) the one exhibition of  $y$  ought all three to be promoted.

It is not easy to see, however, who, in our so-far-imagined instance, could do any promoting. Conceivably the Non-Enjoyers might, but on the whole it will be better to discard it at this point. It was necessary, since we had to isolate these particular events.

Let us now suppose

- A. a community of 25 citizens, of whom 8 are performing Beethoven's Fifth Symphony and all 25 are enjoying the performance ;
- B. that "within" each of the 25 are exhibited
  - (a) universal  $x$ , and also
  - (b) some universal not  $x$ , but any one of  $a, b, c, \dots w, y, z$  which is not exhibited "within" any other of the 25 citizens  
(i.e. "within" Smith is  $x$  and  $a$ , "within" Brown  $x$  and  $b$ , "within" Robinson  $x$  and  $c$ , and so on) ;
- C. that each of these exhibitions is a good worthy of being promoted
  - (a) for its own sake, and
  - (b) so far as is consistent with the Good.
- D. that besides all these universals exhibited "within" the 25 citizens (universals  $a \dots z: x$  exhibited within each citizen ; each other universal exhibited "within" one citizen and not "within" any other) there is also a 27th universal called  $\Theta$  ;
- E. that  $\Theta$  is not worthy of being promoted for its own sake,

but that its exhibition is a *necessary condition of the exhibition of every other universal* (i.e. unless  $\Theta$  is exhibited none of a . . .  $z$  can possibly be exhibited).

Now so far as (1) the performance; (2) the enjoyment of it; (3) the goods resulting from that enjoyment are concerned, what is "the Public Good" in this community?

It would be A. 25 exhibitions of  $x$  (each exhibition "within" one citizen), and also

B. 25 exhibitions of  $\Theta$  (each exhibition a necessary condition of the exhibition "within" a citizen of

(i) universal  $x$ , and also

(ii) whatever other universal ( $a$  . . .  $w$   $y$  and  $z$ ) is exhibitable within him.

So Citizen Smith ought to try to promote (1, so far as he can, and 2, so far as is consistent with the Good) these goods:—

I. Public:

A. 25 exhibitions of  $\Theta$

B. 25 exhibitions of  $x$ .

II. Private:

1 exhibition of each  $a$  . . .  $w$ ,  $y$  and  $z$ .

Universal  $x$  is worthy of being exhibited as often as is

(i) possible and

(ii) consistent with the Good, i.e. it is, in the supposed circumstances, worthy of being exhibited *once "within" each of all the 25 citizens.*

Of universal  $a$  . . .  $w$ ,  $y$  and  $z$  each is worthy of being exhibited so often as is (i) and (ii), i.e. it is, in the supposed circumstances, worthy of being exhibited once "within" *one only of the 25 citizens.*

Therefore the sum of particular 'intrinsic' goods is 50, i.e. (25 exhibitions of  $x$ ) + (1 exhibition of each of  $a$  . . .  $w$ ,  $y$  and  $z$ ).



(Let us give the symbol  $x'$  to each exhibition of  $x$ ,  $\Theta'$  to each of  $\Theta$ , and so on.)

Now  $x$  is worthy of being commonly exhibited "within" each of all the 25 citizens: the exhibition of  $\Theta$  is a *sine qua non* of each of the 50 private goods.

Then A. The Private Good of One Citizen, e.g. Smith (so far as it is distinct from the Public Good, will be  $\Theta' + x' + a'$ ;

B. *The Sum of the Private Goods* of All the Citizens will be  $25 \Theta' + 25x' + a' + b' + c' \dots w' + y' + z'$ .

C. *The Public Good* of the Community will be  $25 \Theta' + 25 x'$ .

Compare, first, Smith's Private Good with the Public Good.

Subtract  $\Theta' + x' + a'$  from  $25 \Theta' + 25 x'$ . The result is  $24 \Theta' + 24 x' - a'$ . Now unless  $a'$  is as worthy of being promoted as  $24 \Theta' + 24 x' - a'$  the Public Good is worthier of being promoted than Smith's Private Good.

Compare, secondly, the Public Good with the Sum of the Private Goods.

Subtract C from B. The result is  $a' + b' + c' \dots w' + y' + z'$ .

Therefore the Public Good is less worthy of being promoted for its own sake than the Sum of the Private Goods. But,

- (1) because  $(25 \Theta' + 25 x')$  is common to both C and B, part of B cannot be promoted unless with C: and
- (2) because  $25 \Theta'$  is a necessary condition of  $a' \dots z'$ , the rest of B cannot be promoted unless with  $25 \Theta'$ ;  
 $\therefore$  the Public Good is worthy of being promoted.

Now supposing that Smith (who is unaware of the fun we have had with him) is still enjoying that performance of Beethoven's Fifth Symphony, what is A, B, and C?

A. (Smith's Private Good) =  $\Theta' + x' + a'$ ,

$$\text{i.e. } \left\{ \begin{array}{l} (i) \text{ 1 Exhibition (as a necessary condition of (ii) or (iii)) of } \Theta, (\text{let } \Theta = \text{"Physical Comfortableness"}) \\ + (ii) \text{ 1 Exhibition ("within" himself) of } x, (\text{let } x = \text{"Pleasantness"}) \\ + (iii) \text{ 1 Exhibition ("within" himself) of } a, (\text{let } a = \text{"Consciousness-of-Divinity"}) \end{array} \right\};$$

$$\text{B. (the Sum of Private Goods)} = 25 \Theta' + 25 x' + a' \dots w' + y' + z',$$

$$\text{i.e. } \left\{ \begin{array}{l} (i) \text{ 25 Exhibitions of "Physical Comfortableness"} \\ + (ii) \text{ 25 Exhibitions of "Pleasantness"} \\ + (iii) \text{ (1 Exhibition of "Consciousness-of-Divinity")} \\ \quad + \text{(1 Exhibition of "Irritableness-against-the-Race-of-Bad-Second-Fiddlers")} + \\ \quad (\text{etc. . . .}) \end{array} \right\};$$

$$\text{C. (the Public Good)} = 25 \Theta' + 25 x',$$

$$\text{i.e. } \left\{ \begin{array}{l} (i) \text{ 25 Exhibitions of "Physical Comfortableness"} \\ + (ii) \text{ 25 Exhibitions of "Pleasantness"} \end{array} \right\}.$$

As for  $\Theta$  Smith may be able to promote its exhibition *directly*, i.e. A. (i) by e.g. standing where no one can stand on his foot; and

B. (ii) }  
C. (iii) } by e.g. standing not on anyone else's

foot, since doing either of these may depend on his own *direct* causing or determining.

As for  $a$ , Smith may be able to promote its exhibition I. *directly*, i.e. A. (iii) by e.g. being a certain sort of a man, since being that depends (at least to a certain extent) on his own direct causing or determining, and II. *indirectly*, i.e. by promoting *directly* 1 exhibition of  $\Theta$ .

As for  $x$ , Smith may be able to promote its exhibition I. *directly*, i.e. A. (ii) by e.g. being a certain sort of a man, and II. *indirectly*, i.e. by promoting *directly* 1 exhibition of  $\Theta$ .

As for  $a \dots w, y$  and  $z$ , Smith I. *cannot* promote *directly*

the exhibition of any one of them, since no exhibition of any one of them depends (to any extent) on his own *direct* causing or determining, but he II. *can* promote *indirectly* the exhibition of any one of them, i.e. by promoting *directly* an exhibition of ©.

Now suppose Smith has 100 units of energy to expend in promoting the good. What facts ought he to bear in mind when he determines what proportion of his energy he ought to spend on A, what on B, what on C? (Let "on"—"in trying to promote".)

The advantages of his spending energy on his Private Good are that :—

1. he can (as a rule) promote it (a certain distance forward) *directly*, and
2. he *understands its nature* better (as a rule) than he understands the nature of that of any other "average" citizen ("average" in the sense of being, as compared with his fellows, "averagely" well known to Smith).

The disadvantages of it are that his Private Good (even if he succeed in promoting it) is only one among many Private Goods.

The advantage of his spending energy on the Public Good are that :—

1. that it is either A. a necessary condition of every Private Good, or  
B. a part of the Sum of many Private Goods; and
2. in promoting it he may promote also his own Private Good (whether directly or indirectly) further than he would if he spent the same amount of energy on that alone.

The disadvantages of it are that

1. just so far as it is distinct from his own Private Good he cannot promote it *directly*, and

2. except so far as he understands the nature of the Private Good of his fellow he cannot understand how it will be affected by his attempts to promote the Public Good.

The better Smith understands the nature of the Private Good of his fellow, the farther will he be able to promote the Public Good; but for the very reason that he understands the Private Goods of his fellow worse (as a rule) than he understands the nature of his own, he would not (as a rule) be advised quite unreasonably if he were told to "mind his own business". But none the less he ought, as we have seen, to spend on the Public Good just so much of his energy as would have been worse spent on his own Private Good or on the Private Good of anyone else (so far as these were distinct from the Public Good).

We are now in a better position to ask what precisely that is at which the citizen aims when he consults a good not his own—whether he pursues as friend or relation the good of a few particular persons whom he knows, or whether he advises as publicist legislation that will apply to the whole community. And when we have answered that question we shall also be better able to keep our heads in the tumult and panic of current theory, better able to refrain from conventional applause when Mr. Shaw and other sincere but vague idealists, veiling with a religious glamour some bloodless figment of the intellectual fancy, ask us to join them in veiling our more normal eyes from the hard and definite facts of property and creative good.



## APPENDIX B (to Chapter IV.)

### A NOTE ON MATERIAL.

WHEN we say that God is omnipotent we ought to mean that God has all the power that exists. For in the strictest sense there does not exist power of such a character that because of it that which must be could be or become that which need not be. Necessity, whether logical or causal, is so related to the essential character of power itself that it is only through confusion of thought that we seem to speak intelligibly when we say that Necessity can be "altered" or "destroyed".

That which must be cannot also be that which need not be. There can be no line that is not either straight or curved. No power exists which can make it possible, and, even though all existing power may reside in God, not even He can make it possible for such a line to be.

Nor can God alter or destroy His own essential character.

If we believe this essential character of God to be the best possible, we ought to believe also that the end at which God aims—the state or disposition of things which He intends to bring about, is also the best possible.

If that belief is true, and if it is also true that in things as they are there can exist evil, it follows that the end which God intends to achieve—the best disposition of things which can come to be—cannot "in the nature of things" be achieved unless there can also exist evil in things as they are. For if, without evil being possible, the same end (or another as good or better) were possible none the less, God could not so act

that evil should be possible without destroying His own essential character. And that is impossible.

It must therefore be that since God does so act that evil is possible, He acts thus in order that the best possible disposition of things may be brought about. Only thus can such an end be achieved, and it is as a means to such an end that God transmits certain powers to persons who are in some sense other than Himself—for instance to human beings.

Though the exercise of those powers which God so transmits to man must at least assist in bringing about sooner or later a disposition of things better on the whole than could come to be if such powers were not so transmitted, it can, none the less, cause evil in things as they are. In other words, God, in order to achieve the best possible end, transmits power to agents who can abuse it. Men are given the power of doing wrong in some particular cases because only thus can the best possible be done on the whole. For the fulfilment of God's purpose it is not necessary that evil should exist, but it is necessary that it should be possible for it to exist. Evil itself is not good, but the possibility of evil is necessary to the fulfilment of the best possible end. To the question, "Has a man a right to do wrong?" it might be answered, "No, but he has a right to be able to do it, since that good disposition of things in which right acts result is of such a nature that it cannot be achieved unless agents are able to act wrongly".

We have seen, then, that there are certain consequences—some of them causal, others logical—which are strictly necessary. In the causal relation one determinate thing or event necessarily produces another: this other *must* be produced from it. A thing behaves in a determinate way because and so far as it is itself a determinate something. There must therefore be some ultimate and original character in things

which neither changes nor can be changed. This character of theirs persists though their situation may not, and the manner in which they affect each other is determined both by this permanent character and by this changing situation.

In considering this question of Property, therefore, we may start from these central facts of Necessity and Freedom. Permanence of character involves necessity of consequence; the character of the good involves the need of freedom to choose evil. There is that which must be, and which moreover must be not because of any Will or Power—not even because of God's: co-existent with that there is also—present in and transmitted to man, because God wills that it should be so—the power of doing evil; and that although the end at which God aims is the best possible.

How all this can be, man cannot determine; but he can recognise that it is so, and from the fact of it he may profitably reason.

## APPENDIX C (A Summary of Chapter III.)

### “DEMOCRACY AND CURRENT THEORY.”

#### I. INTRODUCTORY :—

- (a) What has so far been shown in the book.
- (b) The need for an examination of current theory.
- (c) The lack of definite principle in modern politics : the principle of Democracy.

(Appendix A : A Note on Minding one's Own Business.)

#### 2. WHAT OUGHT TO BE THE NORMAL FUNCTION OF THE ENGLISH STATE TO-DAY? THE ANSWER.

#### 3. WHO OUGHT TO MAKE THE LAWS?

- (a) How disputes about this express themselves to-day.
- (b) The chief aspects of Law-Making :—
  - (i) The Purpose itself;
  - (ii) Its Expression;
  - (iii) Its Execution.
- (c) Who ought to Execute the laws? The answer.
- (d) Who ought to Express the laws? The answer.
- (e) Who ought to determine the Purpose of the laws?

#### 4. THE ANSWER TO 3 (e) :—

- (a) What is the Law-maker required to do? The answer.
- (b) Who has the power to do it?

Answers of (i) the Absolute Monarchist;  
(ii) the Aristocrat;  
(iii) the Democrat.



- (c) The Democrat : his three main contentions against Aristocracy.
- [(d) A reminder that in England at any rate the Law-Passers are not the same body as the Law-Makers.]
- (e) The Democrat : what his First contention does *not* imply.
- (f) The Aristocrat : his reply to the Third contention of the Democrat (two points).
- (g) The Democrat : his three rejoinders to that reply.
- (h) The Aristocrat : his reply to the Second contention of the Democrat.
- (i) The Democrat : his rejoinder to that reply.

#### 5. DEMOCRACY :—

- (a) Its meaning.
- (b) Its minimum basis.
- (c) Its connexion with the word “determining”.
- (d) Its demonstrable truth.
- (e) The conviction bound up with it.

#### 6. THE PRACTICE OF DEMOCRACY :—

- (a) The duty of a Law-maker in a country where democracy ought to be real :—
  - (i) as Elector of Law-passers ;
  - (ii) as Law-passer ;
  - (iii) as Debater and Counsellor ;
  - (iv) as Committee-man.
- (b) Theories which make it unreal : e.g. the theory of Mr. Ramsay MacDonald.
- (c) Practice which makes it unreal : e.g. the practice of England to-day.
- (d) Theories which claim to make it real : e.g. the theory of the Fabian Society.

#### 7. FABIANISM :—

(a) Its professed aims :

(b) Its three parts or stages : two of these :—

(i) The Fabianism of the Essays :

α. "Exploitation" : an examination of the dictum of Mr. Hubert Bland.

β. "Payment according to Services" : an examination of that.

γ. "The Appropriate Governing Unit" : vagueness of Mr. Sidney Webb's phrase.

δ. The four types of Industrial Government : what proportion of these would Fabianism like to permit ?

ε. "Ownership by the Whole People" : the meaning of that in Collectivist practice.

ζ. The Purchase of Services : the terms, whether fixed by I. law—  
(Objection to that)—or II. bargaining.

η. Bargaining and Economic Resource.

θ. Economic Resource in Collectivist practice :—

I. The withholding of services ;

II. Competition for services ;

III. "Wage-slavery".

ι. The Withholding of Services.

κ. Economic Resources :—

I. Fabian offers :—

A. savings from present wages ;

B. property *not* in the means of production ;

C. shares in public benefits arising from use of rates and taxes ;

D. consols.

II. Examination of these offers :—

A. "representative self-government in the industrial sphere": what Mr. Webb means by that;

B. political power and economic resource.

λ. Mr. Webb's "Industrial Democracy": fatal defects of it.

μ. Consols and Municipal Shares; inadequacy of these.

(ii) The Fabianism of the Minority Report:—

α. The practice of this and the Servile State.

β. Fabian defence; examination of that.

(c) Its economic basis: an examination of Mr. Shaw's argument from the Ricardian theory of economic rent.

#### 8. SYNDICALISM:—

(a) How far can it be called a theory of civics? Its means and end.

(b) The "federation of autonomous bodies": questions provoked by that proposal, e.g. 'What about the political State?'

(c) The organ of the general will:—

(i) Would Syndicalism involve there being such an organ?

(ii) If so, how would it be related to producing bodies?

(iii) If it is rightly related to them, can they be completely autonomous?

(d) Syndicalist defence:—

(i) "Internal democracy of each producing body".

(ii) "National council of delegates".

(e) Examination of this defence.

(f) The significance of Syndicalism as a revolt from ordinary Collectivism.

## 9. GILD-SOCIALISM :—

- (a) What it means.
- (b) Mr. Orage and his difficult reservation, "for industrial purposes only".
- (c) Three initial questions.
- (d) The exact meaning of "Industrial Government".
- (e) What does the Gild-Socialist mean by "government"?
- (f) Who will have the controlling ownership of industrial capital?
  - (i) the State "jointly" with the Gild?
  - (ii) the State?
  - or (iii) the Gild?
- (g) Fatal objections to (i) and (ii).
- (h) If (iii) in what sense is the State a "partner"?
- (i) The position of those Gild-Socialists who maintain that this "joint-partnership" should be the *sole* type of industrial government: an examination of that.
- (j) The two types of Gild-Socialism: why they are both inadequate.

## 10. THE REAL DEMOCRACY :—

- (a) The types of industrial government.
- (b) The consumer.
- (c) The question of Economic Rent.
- (d) The relation of the State to the Gild.

## 11. THE THIRD PART OR STAGE OF FABIANISM :—

"Equality of money-payment plus elasticity of communal enjoyment".

## 12. EXAMINATION OF THIS :—

- (a) As a means to a "Real Democracy";
- (b) As leading to the question "Would its end involve a good kind of life?"





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